

Calendar No. 295

104TH CONGRESS  
1ST Session

**S. 1260**

[Report No. 104-195]

**A BILL**

To reform and consolidate the public and assisted housing programs of the United States, and to redirect primary responsibility for these programs from the Federal Government to States and localities, and for other purposes.

DECEMBER 20, 1995

Reported with an amendment

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 19 (legislative day, SEPTEMBER 5), 1995

Mr. MACK (for himself, Mr. D'AMATO, Mr. BOND, and Mr. DOMENICI) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

DECEMBER 20, 1995

Reported by Mr. D'AMATO, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

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## A BILL

To reform and consolidate the public and assisted housing programs of the United States, and to redirect primary responsibility for these programs from the Federal Government to States and localities, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the  
 3 “Public Housing Reform and Empowerment Act of  
 4 1995”.

5 (b) **TABLE OF CONTENTS.**—The table of contents for  
 6 this Act is as follows:

Sec. 1. Short title; table of contents.  
 Sec. 2. Findings and purpose.  
 Sec. 3. Definitions.  
 Sec. 4. Effective date.  
 Sec. 5. Technical recommendations; elimination of obsolete documents.

**TITLE I—PUBLIC AND INDIAN HOUSING**

Sec. 101. Declaration of policy.  
 Sec. 102. Nondiscrimination.  
 Sec. 103. Authority of public housing agencies.  
 Sec. 104. Definitions.  
 Sec. 105. Contributions for lower income housing projects.  
 Sec. 106. Public housing agency plan.  
 Sec. 107. Contract provisions and requirements.  
 Sec. 108. Expansion of powers.  
 Sec. 109. Public housing designated for the elderly and the disabled.  
 Sec. 110. Public and Indian housing capital and operating funds.  
 Sec. 111. Labor standards.  
 Sec. 112. Repeal of energy conservation; consortia and joint ventures.  
 Sec. 113. Repeal of modernization fund.  
 Sec. 114. Income eligibility for assisted housing.  
 Sec. 115. Demolition and disposition of public housing.  
 Sec. 116. Repeal of family investment centers; vouchers for public housing.  
 Sec. 117. Repeal of family self-sufficiency; homeownership opportunities.  
 Sec. 118. Conversion of distressed public housing to vouchers.  
 Sec. 119. Applicability to Indian housing.

**TITLE II—SECTION 8 RENTAL ASSISTANCE**

Sec. 201. Merger of the certificate and voucher programs.  
 Sec. 202. Repeal of Federal preferences.  
 Sec. 203. Portability.  
 Sec. 204. Leasing to voucher holders.  
 Sec. 205. Homeownership option.  
 Sec. 206. Technical and conforming amendments.  
 Sec. 207. Implementation.  
 Sec. 208. Effective date.

**TITLE III—MISCELLANEOUS PROVISIONS**

Sec. 301. Public housing flexibility in the CHAS.  
 Sec. 302. Public housing flexibility in the HOME program.

Sec. 303. Repeal of certain provisions.

Sec. 304. Determination of income limits.

1 **SEC. 2. FINDINGS AND PURPOSE.**

2 (a) ~~FINDINGS.~~—The Congress finds that—

3 (1) there exists throughout the Nation a need  
4 for decent, safe, and affordable housing;

5 (2) as of the date of enactment of this Act, the  
6 inventory of public housing units owned and oper-  
7 ated by public housing agencies, an asset in which  
8 the Federal Government has invested approximately  
9 \$90,000,000,000, has traditionally provided rental  
10 housing that is affordable to low-income persons;

11 (3) despite serving this critical function, the  
12 public housing system is plagued by a series of prob-  
13 lems, including the concentration of very poor people  
14 in very poor neighborhoods and disincentives for eco-  
15 nomic self-sufficiency;

16 (4) the Federal method of overseeing every as-  
17 pect of public housing by detailed and complex stat-  
18 utes and regulations aggravates the problem and  
19 places excessive administrative burdens on public  
20 housing agencies;

21 (5) the interests of low-income persons, and the  
22 public interest, will best be served by a reformed  
23 public housing program that—

1           (A) consolidates many public housing pro-  
 2           grams into a single program for the operation  
 3           and capital needs of public housing;

4           (B) streamlines program requirements;  
 5           and

6           (C) vests in public housing agencies that  
 7           perform well the maximum feasible authority,  
 8           discretion, and control with appropriate ac-  
 9           countability to both public housing residents  
 10          and localities; and

11          (6) voucher and certificate programs under sec-  
 12          tion 8 of the United States Housing Act of 1937 are  
 13          successful for approximately 80 percent of appli-  
 14          cants; and a consolidation of the voucher and certifi-  
 15          cate programs into a single, market-driven program  
 16          will assist in making section 8 tenant-based assist-  
 17          ance more successful in assisting low-income families  
 18          in obtaining affordable housing.

19          (b) PURPOSE.—The purpose of this Act is to consoli-  
 20          date the various programs and activities under the public  
 21          housing programs administered by the Secretary in a  
 22          manner designed to reduce Federal overregulation; to redi-  
 23          rect the responsibility for a consolidated program to  
 24          States, localities, public housing agencies, and public hous-  
 25          ing residents; and to require Federal action to overcome

1 problems of public housing agencies with severe manage-  
 2 ment deficiencies.

3 **SEC. 3. DEFINITIONS.**

4 For purposes of this Act, the following definitions  
 5 shall apply:

6 (1) PUBLIC HOUSING AGENCY.—The term  
 7 “public housing agency” has the same meaning as in  
 8 section 3 of the United States Housing Act of 1937.

9 (2) SECRETARY.—The term “Secretary” means  
 10 the Secretary of Housing and Urban Development.

11 **SEC. 4. EFFECTIVE DATE.**

12 Except as otherwise specifically provided in this Act  
 13 or the amendments made by this Act, this Act and the  
 14 amendments made by this Act shall become effective on  
 15 the date of enactment of this Act.

16 **SEC. 5. TECHNICAL RECOMMENDATIONS; ELIMINATION OF**  
 17 **OBSOLETE DOCUMENTS.**

18 (a) TECHNICAL RECOMMENDATIONS.—Not later  
 19 than 9 months after the date of enactment of this Act,  
 20 the Secretary shall submit to the Committee on Banking,  
 21 Housing, and Urban Affairs of the Senate and the Com-  
 22 mittee on Banking and Financial Services of the House  
 23 of Representatives, recommended technical and conform-  
 24 ing amendments to carry out the amendments made by  
 25 this Act.

(b) ~~ELIMINATION OF OBSOLETE DOCUMENTS.~~—

(1) ~~IN GENERAL.~~—Effective 1 year after the date of enactment of this Act, no rule, regulation, or order (including all handbooks, notices, and related requirements) issued or promulgated under the United States Housing Act of 1937 before the date of enactment of this Act may be enforced by the Secretary.

(2) ~~PROPOSED REGULATIONS.~~—Not later than 6 months after the date of enactment of this Act, the Secretary shall submit to the Congress proposed regulations that the Secretary determines are necessary to carry out the United States Housing Act of 1937, as amended by this Act.

## **TITLE I—PUBLIC AND INDIAN HOUSING**

### **SEC. 101. DECLARATION OF POLICY.**

Section 2 of the United States Housing Act of 1937 (42 U.S.C. 1437) is amended to read as follows:

#### **“SEC. 2. DECLARATION OF POLICY.**

“It is the policy of the United States to promote the general welfare of the Nation by employing the funds and credit of the Nation, as provided in this Act—

“(1) to assist States and political subdivisions of States to remedy the unsafe housing conditions

1       and the acute shortage of decent and safe dwellings  
2       for low-income families; and

3           ~~“(2) consistent with the objectives of this title;~~  
4       ~~to vest in public housing agencies that perform well;~~  
5       ~~the maximum amount of responsibility and flexibility~~  
6       ~~in program administration; with appropriate ac-~~  
7       ~~countability to both public housing residents and lo-~~  
8       ~~calities.”.~~

9       **SEC. 102. NONDISCRIMINATION.**

10       Title I of the United States Housing Act of 1937 (42  
11       U.S.C. 1437 et seq.) is amended by adding at the end  
12       the following new section:

13       **~~“SEC. 27. NONDISCRIMINATION.~~**

14           ~~“(a) PUBLIC HOUSING RESIDENTS.—No person shall~~  
15       ~~be prohibited from serving on the board of directors or~~  
16       ~~similar governing body of a public housing agency because~~  
17       ~~of the residence of that person in a low-income housing~~  
18       ~~project.~~

19           ~~“(b) NONDISCRIMINATION BASED ON RACE, COLOR,~~  
20       ~~NATIONAL ORIGIN, RELIGION, OR SEX.—~~

21           ~~“(1) IN GENERAL.—No person in the United~~  
22       ~~States shall, based on the race, color, national ori-~~  
23       ~~gin, religion, or sex of that person be excluded from~~  
24       ~~participation in, denied the benefits of, or be sub-~~  
25       ~~jected to discrimination under any program or activ-~~



1        ity funded in whole or in part with funds made  
2        available under this title.

3            ~~“(2) APPLICABILITY OF OTHER LAWS.—Any~~  
4        prohibition against discrimination on the basis of  
5        age under the Age Discrimination Act of 1975, or  
6        with respect to an otherwise qualified handicapped  
7        individual, as provided in section 504 of the Reha-  
8        bilitation Act of 1973 shall apply to any such pro-  
9        gram or activity.”.

10    **SEC. 103. AUTHORITY OF PUBLIC HOUSING AGENCIES.**

11        (a) AUTHORITY OF PUBLIC HOUSING AGENCIES.—

12            (1) IN GENERAL.—Section 3(a)(2) of the  
13        United States Housing Act of 1937 (42 U.S.C.  
14        1437a(a)(2)) is amended to read as follows:

15            ~~“(2) AUTHORITY OF PUBLIC HOUSING AGEN-~~  
16        ~~CIES.—~~

17            ~~“(A) CEILING RENTS.—Notwithstanding~~  
18        paragraph (1), a public housing agency may—

19            ~~“(i) adopt ceiling rents that reflect the~~  
20        reasonable market value of the housing;  
21        but that are not less than the actual  
22        monthly costs—

23            ~~“(I) to operate such housing; and~~

24            ~~“(II) to make a deposit to a re-~~  
25        placement reserve (in the sole discre-

1                   tion of the public housing agency);  
 2                   and

3                   “(ii) allow families to pay ceiling rents  
 4                   referred to in clause (i); unless, with re-  
 5                   spect to any family, the ceiling rent estab-  
 6                   lished under this subparagraph would ex-  
 7                   ceed the amount payable as rent by that  
 8                   family under paragraph (1).

9                   “(B) MINIMUM RENT.—Notwithstanding  
 10                  paragraph (1), a public housing agency may  
 11                  provide that each family residing in a public  
 12                  housing project or receiving tenant-based or  
 13                  project-based assistance under section 8 shall  
 14                  pay a minimum monthly rent in an amount not  
 15                  to exceed \$30 per month.

16                  “(C) MIXED-INCOME PROJECTS.—

17                  “(i) IN GENERAL.—Notwithstanding  
 18                  paragraph (1), and subject to clause (ii), a  
 19                  public housing agency may own or operate  
 20                  one or more mixed-income projects, except  
 21                  as otherwise provided in the public housing  
 22                  agency plan of that public housing agency  
 23                  submitted in accordance with section 5A.

24                  “(ii) RESTRICTION.—No assistance  
 25                  provided under section 9 shall be used by

1 a public housing agency in direct support  
2 of any unit rented to a household that is  
3 not a low-income household.

4 “(D) POLICE OFFICERS.—

5 “(i) IN GENERAL.—Notwithstanding  
6 any other provision of law, a public hous-  
7 ing agency may, in accordance with the  
8 public housing agency plan of the public  
9 housing agency, allow a police officer who  
10 is not otherwise eligible for residence in  
11 public housing to reside in a public hous-  
12 ing unit. The number and location of units  
13 occupied by police officers under this  
14 clause, and the terms and conditions of  
15 their tenancies, shall be determined by the  
16 public housing agency.

17 “(ii) DEFINITION.—As used in this  
18 subparagraph, the term ‘police officer’  
19 means any person determined by a public  
20 housing agency to be, during the period of  
21 residence of such person in public housing,  
22 employed on a full-time basis by a Federal,  
23 State, or local government or any agency  
24 thereof (including a public housing agency

1           having an accredited police force) as a duly  
2           licensed professional police officer.

3           “(E) ENCOURAGEMENT OF SELF-SUFFI-  
4           CIENCY.—Public housing agencies shall develop  
5           rental policies that encourage and reward em-  
6           ployment and upward economic mobility.”.

7           (2) REGULATIONS.—

8           (A) IN GENERAL.—The Secretary shall, by  
9           regulation, after notice and an opportunity for  
10          public comment, establish such requirements as  
11          may be necessary to carry out section  
12          3(a)(2)(A) of the United States Housing Act of  
13          1937, as amended by paragraph (1).

14          (B) TRANSITION RULE.—Prior to the issu-  
15          ance of final regulations under paragraph (1),  
16          a public housing agency may implement ceiling  
17          rents, which shall be—

18               (i) determined in accordance with sec-  
19               tion 3(a)(2)(A) of the United States Hous-  
20               ing Act of 1937, as such section existed on  
21               the day before effective date of this Act; or

22               (ii) equal to the 95th percentile of the  
23               rent paid for a unit of comparable size by  
24               tenants in the same project or a group of

1                   comparable projects totaling 50 units or  
2                   more.

3       (b) ~~HIGH PERFORMING PUBLIC HOUSING AGEN-~~  
4 ~~CIES.—~~

5           (1) ~~IN GENERAL.~~—Section 3(a) of the United  
6       States Housing Act of 1937 (42 U.S.C. 1437(a)) is  
7       amended by adding at the end the following new  
8       paragraph:

9           ~~“(3) HIGH PERFORMING PUBLIC HOUSING~~  
10 ~~AGENCIES.—~~

11           ~~“(A) IN GENERAL.~~—Notwithstanding the  
12       rent calculation formula in paragraph (1), sub-  
13       ject to subparagraph (B), the Secretary shall  
14       permit a high performing public housing agen-  
15       cy, as determined by the Secretary, to deter-  
16       mine the amount that a family residing in pub-  
17       lic housing shall pay as rent.

18           ~~“(B) LIMITATION.~~—With respect to a fam-  
19       ily whose income is equal to or less than 30  
20       percent of the median income for the area, as  
21       determined by the Secretary with adjustments  
22       for smaller and larger families, a public housing  
23       agency may not require a family to pay as rent  
24       under subparagraph (A) an amount that ex-  
25       ceeds the greater of—

1                   “(i) 30 percent of the monthly ad-  
2                   justed income of the family; and

3                   “(ii) \$30.”.

4                   (2) PHASE-IN PERIOD.—If a public housing  
5                   agency charges rent pursuant to section 3(a)(3) of  
6                   the United States Housing Act of 1937, as added by  
7                   paragraph (1) of this subsection, the agency shall  
8                   phase in any increase in the amount otherwise pay-  
9                   able by the family over a 3-year period.

10                  (3) REPORTS TO CONGRESS.—

11                   (A) INITIAL REPORT.—Not later than 2  
12                   years after the date of enactment of this Act,  
13                   the Secretary shall report to the Congress on  
14                   the impact of section 3(a)(3) of the United  
15                   States Housing Act of 1937, as added by para-  
16                   graph (1) of this subsection, on residents and  
17                   on the economic viability of public housing  
18                   agencies.

19                   (B) FINAL REPORT.—Not later than 5  
20                   years after the date of enactment of this Act,  
21                   the Secretary shall submit to the Congress a  
22                   final report on the impact of section 3(a)(3) of  
23                   the United States Housing Act of 1937, as  
24                   added by paragraph (1) of this subsection, on  
25                   residents and on the economic viability of public

1           housing agencies. The report shall include rec-  
 2           ommendations for any legislative changes to  
 3           rent reform policies.

4   **SEC. 104. DEFINITIONS.**

5       (a) DEFINITIONS.—

6           (1) SINGLE PERSONS.—Section 3(b)(3) of the  
 7       United States Housing Act of 1937 (42 U.S.C.  
 8       1437a(b)(3)) is amended—

9           (A) in subparagraph (A), in the third sen-  
 10       tence, by striking “the Secretary shall” and all  
 11       that follows before the period at the end and in-  
 12       serting the following: “the public housing agen-  
 13       cy may give preference to single persons who  
 14       are elderly or disabled persons before single  
 15       persons who are otherwise eligible”; and

16          (B) in subparagraph (B), in the second  
 17       sentence, by striking “regulations of the Sec-  
 18       retary” and inserting “public housing agency  
 19       plan of the public housing agency”.

20          (2) DEFINITION OF ADJUSTED INCOME.—Sec-  
 21       tion 3(b)(5) of the United States Housing Act of  
 22       1937 (42 U.S.C. 1437a(b)(5)) is amended to read as  
 23       follows:

1           “(5) ADJUSTED INCOME.—The term ‘adjusted  
2           income’ means the income that remains after exclud-  
3           ing—

4                   “(A) \$480 for each member of the family  
5                   residing in the household (other than the head  
6                   of the household or spouse)—

7                           “(i) who is under 18 years of age; or

8                           “(ii) who is—

9                                   “(I) 18 years of age or older; and

10                                   “(H) a person with disabilities or  
11                                   a full-time student;

12                   “(B) \$400 for an elderly or disabled fam-  
13                   ily;

14                   “(C) the amount by which the aggregate  
15                   of—

16                           “(i) medical expenses for an elderly or  
17                           disabled family; and

18                           “(ii) reasonable attendant care and  
19                           auxiliary apparatus expenses for each fam-  
20                           ily member who is a person with disabil-  
21                           ities, to the extent necessary to enable any  
22                           member of the family (including a member  
23                           who is a person with disabilities) to be em-  
24                           ployed;



1 exceeds 3 percent of the annual income of the  
2 family;

3 “(D) child care expenses, to the extent  
4 necessary to enable another member of the fam-  
5 ily to be employed or to further his or her edu-  
6 cation;

7 “(E) excessive travel expenses, not to ex-  
8 ceed \$25 per family per week, for employment-  
9 or education-related travel, except that this sub-  
10 paragraph shall apply only to a family assisted  
11 by an Indian housing authority; and

12 “(F) any other income that the public  
13 housing agency determines to be appropriate, as  
14 provided in the public housing agency plan of  
15 the public housing agency.”.

16 (b) DEFINITIONS OF TERMS USED IN REFERENCE  
17 TO PUBLIC HOUSING.—

18 (1) TECHNICAL CORRECTION.—Section 622(e)  
19 of the Housing and Community Development Act of  
20 1992 (Public Law 102-550; 106 Stat. 3817) is  
21 amended by inserting “in paragraph (3),” after “is  
22 amended”.

23 (2) HOUSING ACT OF 1937.—Section 3(e) of the  
24 United States Housing Act of 1937 (42 U.S.C.  
25 1437a(e)) is amended—

(A) in paragraph (1), by inserting “and of the fees and related costs normally involved in obtaining non-Federal financing and tax credits with or without private and nonprofit partners” after “carrying charges”;

(B) in paragraph (2), in the first sentence, by striking “security personnel),” and all that follows through the period and inserting the following: “security personnel), and all eligible activities under the Public and Assisted Housing Drug Elimination Act of 1990, or financing in connection with a low-income housing project, including projects developed with non-Federal financing and tax credits, with or without private and nonprofit partners.”;

(C) in the undesignated paragraph immediately following paragraph (3), by striking “The earnings of” and all that follows through the period at the end; and

(D) by adding at the end the following new paragraphs:

“(6) PUBLIC HOUSING AGENCY PLAN.—The term ‘public housing agency plan’ means the annual plan adopted by a public housing agency under section 5A.

1           “(7) ~~DISABLED HOUSING.~~—The term ‘disabled  
2           housing’ means any project, building, or portion of  
3           a project or building that is designated by a public  
4           housing agency for occupancy exclusively by disabled  
5           persons or families.

6           “(8) ~~ELDERLY HOUSING.~~—The term ‘elderly  
7           housing’ means any project, building, or portion of  
8           a project or building, that is designated by a public  
9           housing agency for occupancy exclusively by elderly  
10          persons or families, including elderly disabled per-  
11          sons or families.

12          “(9) ~~MIXED-INCOME PROJECT.~~—

13               “(A) ~~IN GENERAL.~~—The term ‘mixed-in-  
14               come project’ means a project that is occupied  
15               both by one or more low-income households and  
16               by one or more households that are not low-in-  
17               come households.

18               “(B) ~~TYPES OF PROJECTS.~~—The term  
19               ‘mixed-income project’ includes a project devel-  
20               oped—

21                       “(i) by a public housing agency or an  
22                       entity controlled by a public housing agen-  
23                       cy; and

24                       “(ii) by a partnership, a limited liabil-  
25                       ity company, or other entity in which the

1 public housing agency (or an entity con-  
2 trolled by a public housing agency) is a  
3 general partner, managing member, or oth-  
4 erwise has significant participation in di-  
5 recting the activities of such entity, if—

6 “(I) units are made available in  
7 the project, by master contract or in-  
8 dividual lease, for occupancy by low-  
9 income families identified by the pub-  
10 lic housing agency for a period of not  
11 less than 20 years; and

12 “(II) the number of public hous-  
13 ing units are approximately in the  
14 same proportion to the total number  
15 of units in the mixed-income project  
16 that, in the sole determination of the  
17 public housing agency, the value of  
18 the financial assistance provided by  
19 the public housing agency bears to the  
20 value of the total equity investment in  
21 the project, or shall not be less than  
22 the number of units that could have  
23 been developed under the conventional  
24 public housing program with the as-  
25 sistance.

1           “(C) TAXATION.—A mixed-income project  
 2           may elect to have all units subject to the local  
 3           real estate taxes, except that units designated  
 4           as public housing units shall be eligible at the  
 5           discretion of the public housing agency for the  
 6           taxing requirements under section 6(d).”.

7   **SEC. 105. CONTRIBUTIONS FOR LOWER INCOME HOUSING**  
 8           **PROJECTS.**

9           Section 5 of the United States Housing Act of 1937  
 10   (42 U.S.C. 1437c) is amended by striking subsections (h)  
 11   through (l).

12   **SEC. 106. PUBLIC HOUSING AGENCY PLAN.**

13           (a) IN GENERAL.—Title I of the United States Hous-  
 14   ing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by  
 15   inserting after section 5 the following new section:

16   **“SEC. 5A. PUBLIC HOUSING AGENCY PLAN.**

17           “(a) IN GENERAL.—

18           “(1) SUBMISSION.—Each public housing agency  
 19           shall submit to the Secretary a written public hous-  
 20           ing agency plan developed in accordance with this  
 21           section.

22           “(2) CONSISTENCY REQUIREMENT.—Each pub-  
 23           lic housing agency plan submitted to the Secretary  
 24           under paragraph (1) shall be—

1           “(A) made in consultation with the local  
2           advisory board established under subsection (c);

3           “(B) consistent with the Comprehensive  
4           Housing Affordability Strategy for the jurisdic-  
5           tion in which the public housing agency is lo-  
6           cated, as provided under title I of the Cranston-  
7           Gonzalez National Affordable Housing Act; and

8           “(C) accompanied by a certification by an  
9           appropriate State or local public official that  
10          the proposed public housing activities are con-  
11          sistent with the housing strategy of the jurisdic-  
12          tion to be served by the public housing agency;  
13          as required by subparagraph (B).

14          “(b) CONTENTS.—Each public housing agency plan  
15          shall contain, at a minimum, the following:

16               “(1) CERTIFICATION.—A written certification  
17               that the public housing agency is a governmental en-  
18               tity or public body (or agency or instrumentality  
19               thereof) that is authorized to engage in or assist in  
20               the development or operation of low-income housing.  
21               Any reference in any provision of law of the jurisdic-  
22               tion authorizing the creation of the public housing  
23               agency shall be identified and any legislative declara-  
24               tion of purpose in regard thereto shall be set forth  
25               in the certification with full text.

1           “(2) STATEMENT OF POLICY.—An annual  
 2           statement of policy identifying the primary goals and  
 3           objectives of the public housing agency for the year  
 4           for which the statement is submitted, together with  
 5           any major developments, projects, or programs, in-  
 6           cluding all proposed costs and activities under the  
 7           Capital and Operating Funds of the public housing  
 8           agency established under section 9.

9           “(3) GENERAL POLICIES, RULES, AND REGULA-  
 10          TIONS.—The policies, rules, and regulations of the  
 11          public housing agency regarding—

12               “(A) the requirements for eligibility into  
 13               each program administered by the public hous-  
 14               ing agency and the policies of the public hous-  
 15               ing agency concerning verification of eligibility,  
 16               which verification shall be required upon initial  
 17               commencement of residency and not less fre-  
 18               quently than annually thereafter;

19               “(B) the requirements for the selection  
 20               and admission of eligible families into the pro-  
 21               gram or programs of the public housing agency,  
 22               including the tenant screening policies, any  
 23               preferences or priorities for selection and ad-  
 24               mission, and the requirements pertaining to the

1 administration of the waiting list or lists of the  
2 public housing agency;

3 “(C) the procedure for assignment of per-  
4 sons admitted into the program to dwelling  
5 units owned, leased, managed, or assisted by  
6 the public housing agency; and

7 “(D) the requirements for occupancy of  
8 dwelling units, including all standard lease pro-  
9 visions, and conditions for continued occupancy,  
10 termination, and eviction.

11 “(4) MANAGEMENT.—The policies, rules, and  
12 regulations relating to the management of the public  
13 housing agency, and the projects and programs of  
14 the public housing agency, including—

15 “(A) a description of how the public hous-  
16 ing agency is organized and staffed to perform  
17 the duties and functions of the public housing  
18 agency;

19 “(B) policies relating to the marketing of  
20 dwelling units owned or operated by the public  
21 housing agency;

22 “(C) policies relating to rent collection;

23 “(D) policies relating to security;



1           ~~“(E) policies relating to services and amen-~~  
 2           ~~ities provided or offered to families assisted, in-~~  
 3           ~~cluding all related charges or fees, if any;~~

4           ~~“(F) any system of priorities in the man-~~  
 5           ~~agement of the operations of the public housing~~  
 6           ~~agency; and~~

7           ~~“(G) a list of activities to enhance tenant~~  
 8           ~~empowerment and management, including as-~~  
 9           ~~sistance to resident councils and resident man-~~  
 10          ~~agement corporations.~~

11          ~~“(5) RENTS AND CHARGES.—~~

12           ~~“(A) IN GENERAL.—The policies of the~~  
 13           ~~public housing agency concerning rents or other~~  
 14           ~~charges, the manner in which such policies are~~  
 15           ~~determined, and the justification for the poli-~~  
 16           ~~cies.~~

17           ~~“(B) FACTORS FOR CONSIDERATION.—In~~  
 18           ~~determining and justifying the policies de-~~  
 19           ~~scribed in subparagraph (A), the public housing~~  
 20           ~~agency shall take into account—~~

21           ~~“(i) the goals of the public housing~~  
 22           ~~agency to serve households with a broad~~  
 23           ~~range of incomes, to create incentives for~~  
 24           ~~families to obtain employment, and to~~  
 25           ~~serve primarily low-income families;~~

1                   “(ii) the costs and other financial con-  
 2                   siderations of the public housing agency;  
 3                   and

4                   “(iii) such other factors as the public  
 5                   housing agency determines to be relevant.

6                   ~~“(6) ECONOMIC AND SOCIAL SELF-SUFFICIENCY~~  
 7                   PROGRAMS.—A description of any programs, plans,  
 8                   and activities of the public housing agency for the  
 9                   enhancement of the economic and social self-suffi-  
 10                  ciency of residents assisted by the programs of the  
 11                  public housing agency. The description shall include  
 12                  a statement of any self-sufficiency requirements af-  
 13                  fecting residents assisted by the programs of the  
 14                  public housing agency.

15                  ~~“(7) USE OF FUNDS FOR EXISTING UNITS.—~~

16                  ~~“(A) IN GENERAL.—A statement describ-~~  
 17                  ing the use of distributions from the Capital  
 18                  Fund and Operating Fund of the public hous-  
 19                  ing agency, established in accordance with sec-  
 20                  tion 9, including a general description of the  
 21                  public housing agency policies or plans to keep  
 22                  the property of the public housing agency in a  
 23                  decent and safe condition.

24                  ~~“(B) ANNUAL AND 5-YEAR PLAN.—An an-~~  
 25                  nual plan and, if appropriate, a 5-year plan of

the public housing agency for modernization of the existing dwelling units of the public housing agency; a plan for preventative maintenance; a plan for routine maintenance; and a plan to handle emergencies and other disasters. Each annual and 5-year plan shall include a general statement identifying the long-term viability and physical condition of each of the projects and other property of the public housing agency, including cost estimates and demolition plans, if any.

~~“(8) USE OF FUNDS FOR NEW OR ADDITIONAL UNITS AND DEMOLITION OR DISPOSITION.—~~

~~“(A) IN GENERAL.—~~

~~“(i) CAPITAL AND OPERATING FUNDS.—If applicable, a description of the plans of the public housing agency for the Capital Fund and Operating Fund distributions of the public housing agency established under section 9, for the purpose of new construction, demolition, or disposition.~~

~~“(ii) ANNUAL AND 5-YEAR PLANS.—~~

~~An annual plan and a 5-year plan describing any current and future plans for the~~

1 development or acquisition of new or addi-  
2 tional dwelling units, or the demolition or  
3 disposition of any of the existing housing  
4 stock of the public housing agency, includ-  
5 ing—

6 “(I) any plans for the sale of ex-  
7 isting dwelling units to low-income  
8 residents, other low-income persons or  
9 families, or organizations acting as  
10 conduits for sales to low-income resi-  
11 dents, or other low-income persons or  
12 families, under a homeownership plan;  
13 and

14 “(II) the plans of the public  
15 housing agency, if any, for replace-  
16 ment of dwelling units to be demol-  
17 ished or disposed of, and any plans  
18 providing for the relocation of resi-  
19 dents who will be displaced by a dem-  
20 olition or disposition of units.

21 “(B) DEMOLITIONS.—In the case of a  
22 demolition of any existing housing stock, each  
23 plan required under subparagraph (A)(ii) shall  
24 include—

1                   “(i) identification of the property to  
2                   be demolished;

3                   “(ii) the estimated costs of the demo-  
4                   lition and the sources of funds to pay for  
5                   the demolition;

6                   “(iii) the uses and explanation of the  
7                   uses to which the property will be put after  
8                   demolition; and

9                   “(iv) the reasons for the demolition  
10                  and for the conclusion of the public hous-  
11                  ing agency that the demolition is in the  
12                  best interests of the programs of the public  
13                  housing agency.

14                  “(C) DISPOSITIONS.—In the case of a dis-  
15                  position of any existing housing stock, each  
16                  plan required under subparagraph (A)(ii) shall  
17                  include—

18                       “(i) a description of the property to  
19                       be disposed of;

20                       “(ii) a description of the use or uses  
21                       to which the property will be put after dis-  
22                       position, including findings with regard  
23                       to—

24                               “(I) whether the new use or uses  
25                               are consistent and compatible with

1 any public housing agency dwelling  
2 units that will remain in the imme-  
3 diate vicinity of the property to be  
4 disposed of; and

5 “(II) whether the public housing  
6 agency plans to retain any control  
7 over or rights in the property after  
8 disposition;

9 “(iii) identification of any consider-  
10 ation, whether in money, property, or both,  
11 to be received by the public housing agency  
12 as part of the disposition, and the low-in-  
13 come uses that the public housing agency  
14 intends for the proceeds, pursuant to the  
15 requirements of section 18; and

16 “(iv) the reasons for disposition of the  
17 property by the public housing agency and  
18 for the conclusion of the public housing  
19 agency that the disposition is in the best  
20 interests of the tenants, programs, and ac-  
21 tivities of the public housing agency.

22 “(D) OTHER INFORMATION.—The public  
23 housing agency shall, with respect to any demo-  
24 lition or disposition plan required by subpara-  
25 graph (A)(ii), comply with the requirements of

1 section 18, and the public housing agency plan  
 2 shall expressly certify such compliance.

3 ~~“(9) OPERATING FUND PLAN.—~~

4 ~~“(A) IN GENERAL.—A plan for the Operat-~~  
 5 ~~ing Fund of the public housing agency, includ-~~  
 6 ~~ing—~~

7 ~~“(i) an identification of all sources~~  
 8 ~~and uses of funding and income of the~~  
 9 ~~public housing agency;~~

10 ~~“(ii) a description for the establish-~~  
 11 ~~ment, maintenance, and use of reserves;~~  
 12 ~~and~~

13 ~~“(iii) an operating budget, a budget~~  
 14 ~~for any modernization or development, and~~  
 15 ~~any plans that the public housing agency~~  
 16 ~~has for borrowing funds, including a de-~~  
 17 ~~scription of any anticipated actions to~~  
 18 ~~mortgage or otherwise grant a security in-~~  
 19 ~~terest in any of the projects or other prop-~~  
 20 ~~erties of the public housing agency in con-~~  
 21 ~~nection with public housing agency borrow-~~  
 22 ~~ings.~~

23 ~~“(B) APPROVAL BY THE SECRETARY.—~~

24 ~~Each plan under subparagraph (A) involving~~  
 25 ~~mortgaging or granting a security interest in~~

1           the projects of the public housing agency  
2           shall—

3                   “(i) be deemed to be approved by the  
4                   Secretary, unless the Secretary provides a  
5                   written disapproval to the public housing  
6                   agency not later than 45 days after the  
7                   date on which the plan is submitted under  
8                   subparagraph (A); and

9                   “(ii) include reasonable provisions for  
10                  the relocation of low-income tenants in the  
11                  event of displacement.

12               ~~“(10) ADDITIONAL PERFORMANCE REQUIRE-~~  
13               ~~MENTS.—A description of any additional perform-~~  
14               ~~ance standards established by the public housing~~  
15               ~~agency.~~

16               ~~“(11) ANNUAL AUDIT.—The results of an an-~~  
17               ~~nuual audit of the public housing agency, which shall~~  
18               ~~be conducted by an independent certified public ac-~~  
19               ~~counting firm pursuant to generally accepted ac-~~  
20               ~~counting principles.~~

21               ~~“(c) LOCAL ADVISORY BOARD.—~~

22                   ~~“(1) IN GENERAL.—~~

23                   ~~“(A) ESTABLISHMENT.—Each public hous-~~  
24                   ~~ing agency shall establish one or more local ad-~~  
25                   ~~visory boards in accordance with this sub-~~



1 section, adequate to reflect and represent all of  
 2 the residents of dwelling units owned, operated,  
 3 or assisted by the public housing agency.

4 “(B) INCLUSION IN PUBLIC HOUSING  
 5 AGENCY PLAN.—The rules governing each local  
 6 advisory board shall be included in the public  
 7 housing agency plan of the public housing agen-  
 8 cy.

9 “(2) MEMBERSHIP.—Each local board estab-  
 10 lished under this subsection shall be composed of the  
 11 following membership:

12 “(A) Not less than 60 percent of the board  
 13 shall be residents of dwelling units owned, oper-  
 14 ated, or assisted by the public housing agency.

15 “(B) The remainder of the board shall be  
 16 comprised of—

17 “(i) representatives of the community  
 18 in which the public housing agency is lo-  
 19 cated; and

20 “(ii) local government officials of the  
 21 community in which the public housing  
 22 agency is located.

23 “(3) PURPOSE.—Each local advisory board es-  
 24 tablished under this subsection shall assist and make  
 25 recommendations in the development of the public

housing agency plan for submission under this section. The public housing agency shall consider the recommendations of the local advisory board in preparing the final public housing agency plan, and shall include a copy of such recommendations in the public housing agency plan submitted to the Secretary under this section.

~~“(d) PUBLICATION OF NOTICE.—~~

~~“(1) IN GENERAL.—Not later than 45 days before adoption of any public housing agency plan by the governing body of the public housing agency, the public housing agency shall publish a notice informing the public that—~~

~~“(A) the proposed public housing agency plan is available for inspection at the principal office of the public housing agency during normal business hours; and~~

~~“(B) a public hearing will be held to discuss the public housing agency plan and to invite public comment thereon.~~

~~“(2) PUBLIC HEARING.—Each public housing agency shall conduct a public hearing, as provided in the notice published under paragraph (1), not earlier than 30 days nor later than 50 days after the date on which the notice was published. After such public~~

1       hearing, the public housing agency shall, after con-  
 2       sidering all public comments received and making  
 3       any changes it deems appropriate, adopt the public  
 4       housing agency plan and submit the plan to the Sec-  
 5       retary in accordance with this section.

6       “(e) COORDINATED PROCEDURES.—Each public  
 7       housing agency shall, in conjunction with the State or rel-  
 8       evant unit of general local government, establish proce-  
 9       dures to ensure that the public housing agency plan re-  
 10      quired by this section is consistent with the applicable  
 11      Comprehensive Housing Affordability Strategy for the ju-  
 12      risdiction in which the public housing agency is located,  
 13      in accordance with title I of the Cranston-Gonzalez Na-  
 14      tional Affordable Housing Act.

15      “(f) AMENDMENTS AND MODIFICATIONS TO  
 16      PLANS.—

17           “(1) IN GENERAL.—Nothing in this section  
 18       shall preclude a public housing agency, after submit-  
 19       ting a plan to the Secretary in accordance with this  
 20       section, from amending or modifying any policy,  
 21       rule, regulation, or plan of the public housing agen-  
 22       cy, except that no such significant amendment or  
 23       modification may be implemented—

24           “(A) other than at a duly called meeting of  
 25       commissioners (or other comparable governing

1 body) of the public housing agency which is  
 2 open to the public; and

3 “(B) until notification of such amendment  
 4 or modification is sent to the Secretary and ap-  
 5 proved in accordance with subsection (g)(4).

6 “(2) CONSISTENCY.—Any significant amend-  
 7 ment or modification to a plan submitted to the Sec-  
 8 retary under this section shall—

9 “(A) comply with the requirements of sub-  
 10 section (a)(2); and

11 “(B) be considered by the local board, as  
 12 provided in subsection (e).

13 “(g) TIMING OF PLANS.—

14 “(1) IN GENERAL.—

15 “(A) INITIAL SUBMISSION.—Each public  
 16 housing agency shall submit the initial plan re-  
 17 quired by this section, and any amendment or  
 18 revision to the initial plan, to the Secretary at  
 19 such time and in such form as the Secretary  
 20 shall require.

21 “(B) ANNUAL SUBMISSION.—Not later  
 22 than 60 days prior to the start of the fiscal  
 23 year of the public housing agency, after initial  
 24 submission of the plan required by this section  
 25 in accordance with subparagraph (A), each pub-

lie housing agency shall annually submit to the Secretary a plan update, including any amendments or reports containing information constituting changes or modifications to the public housing agency plan of the public housing agency.

~~“(2) REVIEW AND APPROVAL.—~~

~~“(A) REVIEW.—After submission of the public housing agency plan or any amendment or report of changes or modifications to the plan to the Secretary, the Secretary shall review the public housing agency plan, amendment, or report to determine—~~

~~“(i) in the case of a public housing agency plan, whether the contents of the plan—~~

~~“(I) set forth the information required by this section to be contained in a public housing agency plan; and~~

~~“(II) are consistent with information and data available to the Secretary; and~~

~~“(ii) in all cases, whether the activities proposed by the plan, amendment, or report are prohibited by or inconsistent~~

1 with any provision of this title or other ap-  
 2 plicable law.

3 ~~“(B) APPROVAL.—~~

4 ~~“(i) IN GENERAL.—Except as pro-~~  
 5 ~~vided in paragraph (3)(B), not later than~~  
 6 ~~45 days after the date on which a public~~  
 7 ~~housing agency plan is submitted in ac-~~  
 8 ~~cordance with this section, the Secretary~~  
 9 ~~shall provide written notice to the public~~  
 10 ~~housing agency if the plan has been dis-~~  
 11 ~~approved, stating with specificity the rea-~~  
 12 ~~sons for the disapproval.~~

13 ~~“(ii) FAILURE TO PROVIDE NOTICE OF~~  
 14 ~~DISAPPROVAL.—If the Secretary does not~~  
 15 ~~provide notice of disapproval under clause~~  
 16 ~~(i) before the expiration of the 45-day pe-~~  
 17 ~~riod described in clause (i), the public~~  
 18 ~~housing agency plan of the public housing~~  
 19 ~~agency shall be deemed to be approved by~~  
 20 ~~the Secretary.~~

21 ~~“(3) SECRETARIAL DISCRETION.—~~

22 ~~“(A) IN GENERAL.—The Secretary shall~~  
 23 ~~have sole discretion to require such additional~~  
 24 ~~information and performance requirements as~~  
 25 ~~deemed appropriate for each public housing~~

1           agency that is designated by the Secretary as a  
2           troubled public housing agency under section  
3           6(j).

4           “(B) TROUBLED AGENCIES.—The Sec-  
5           retary shall provide explicit written approval or  
6           disapproval, in a timely manner, for a public  
7           housing agency plan submitted by any public  
8           housing agency designated by the Secretary as  
9           a troubled public housing agency under section  
10          6(j).

11          “(4) STREAMLINED PLAN.—In carrying out this  
12          section, the Secretary may establish a streamlined  
13          public housing agency plan for—

14               “(A) public housing agencies that are de-  
15               termined by the Secretary to be high perform-  
16               ing public housing agencies; and

17               “(B) public housing agencies with less  
18               than 250 units.”.

19          (b) INTERIM RULE.—

20               (1) IN GENERAL.—Not later than January 1,  
21          1996, the Secretary shall issue an interim rule to re-  
22          quire the submission of an interim public housing  
23          agency plan by each public housing agency, as re-  
24          quired by section 5A of the United States Housing

1 Act of 1937 (as added by subsection (a) of this sec-  
 2 tion).

3 ~~(2) REGULATIONS.~~—Not later than 1 year after  
 4 the date of enactment of this Act, the Secretary  
 5 shall promulgate final regulations implementing sec-  
 6 tion 5A of the United States Housing Act of 1937,  
 7 as added by subsection (a) of this section. Such reg-  
 8 ulations shall be subject to negotiated rulemaking.

9 **SEC. 107. CONTRACT PROVISIONS AND REQUIREMENTS.**

10 (a) ~~CONDITIONS.~~—Section 6(a) of the United States  
 11 Housing Act of 1937 (42 U.S.C. 1437d(a)) is amended—

12 ~~(1)~~ in the first sentence, by inserting “, in a  
 13 manner consistent with the public housing agency  
 14 plan submitted under section 5A” before the period;  
 15 and

16 ~~(2)~~ by striking the second sentence.

17 (b) ~~REVISION OF MAXIMUM INCOME LIMITS; CER-~~  
 18 ~~TIFICATION OF COMPLIANCE WITH REQUIREMENTS; NO-~~  
 19 ~~TIFICATION OF ELIGIBILITY.~~—Section 6(c) of the United  
 20 States Housing Act of 1937 (42 U.S.C. 1437d(e)) is  
 21 amended to read as follows:

22 “(c) [Reserved.]”.

23 (c) ~~EXCESS FUNDS.~~—Section 6(e) of the United  
 24 States Housing Act of 1937 (42 U.S.C. 1437d(e)) is  
 25 amended to read as follows:



1       “(e) [Reserved.]”.

2       (d) PERFORMANCE INDICATORS FOR PUBLIC HOUS-  
3     ING AGENCIES.—Section 6(j) of the United States Hous-  
4     ing Act of 1937 (42 U.S.C. 1437d(j)) is amended—

5             (1) in paragraph (1)—

6                     (A) in subparagraph (B)—

7                             (i) by striking “obligated” and insert-  
8                             ing “provided”; and

9                             (ii) by striking “unexpended” and in-  
10                            serting “unobligated by the public housing  
11                            agency”;

12                    (B) in subparagraph (D), by striking “en-  
13                    ergy” and inserting “utility”;

14                    (C) by redesignating subparagraph (H) as  
15                    subparagraph (J); and

16                    (D) by adding at the end the following new  
17                    paragraphs:

18                             “(H) The extent to which the agency pro-  
19                             vides effective programs and activities to pro-  
20                             mote the economic self-sufficiency of tenants.

21                             “(I) The extent to which the agency suc-  
22                             cessfully meets the goals and carries out the ac-  
23                             tivities and programs of the public housing  
24                             agency plan under section 5(A).”; and

1           (2) in paragraph (2)(A)(i), by inserting after  
 2           the first sentence the following: “The Secretary may  
 3           use a simplified set of indicators for public housing  
 4           agencies with less than 250 units.”.

5           (e) LEASES.—Section 6(l) of the United States Hous-  
 6 ing Act of 1937 (42 U.S.C. 1437d(l)) is amended—

7           (1) in paragraph (3), by striking “not be less  
 8           than” and all that follows before the semicolon at  
 9           the end and inserting “be the period of time re-  
 10          quired under State law”; and

11          (2) in paragraph (5), by striking “on or near  
 12          such premises”.

13          (f) PUBLIC HOUSING ASSISTANCE TO FOSTER CARE  
 14 CHILDREN.—Section 6(o) of the United States Housing  
 15 Act of 1937 (42 U.S.C. 1437d(o)) is amended by striking  
 16 “Subject” and all that follows through “; in” and inserting  
 17 “In”.

18          (g) PREFERENCE FOR AREAS WITH INADEQUATE  
 19 SUPPLY OF VERY LOW-INCOME HOUSING.—Section 6(p)  
 20 of the United States Housing Act of 1937 (42 U.S.C.  
 21 1437d(p)) is amended to read as follows:

22          “(p) [Reserved.]”.

23          (h) AVAILABILITY OF CRIMINAL RECORDS FOR  
 24 SCREENING AND EVICTION; EVICTION FOR DRUG-RELAT-  
 25 ED ACTIVITY.—Section 6 of the United States Housing

1 Act of 1937 (42 U.S.C. 1437d) is amended by adding at  
2 the end the following new subsections:

3 “(q) AVAILABILITY OF RECORDS.—

4 “(1) IN GENERAL.—

5 “(A) PROVISION OF INFORMATION.—Not-  
6 withstanding any other provision of law, except  
7 as provided in subparagraph (B), the National  
8 Crime Information Center, a police department,  
9 and any other law enforcement agency shall,  
10 upon request, provide information to public  
11 housing agencies regarding the criminal convic-  
12 tion records of adult applicants for, or residents  
13 of, public housing for purposes of applicant  
14 screening, lease enforcement, and eviction.

15 “(B) EXCEPTION.—Except as provided  
16 under any provision of State or local law, no  
17 law enforcement agency described in subpara-  
18 graph (A) shall provide information under this  
19 paragraph relating to any criminal conviction if  
20 the date of that conviction occurred 5 or more  
21 years prior to the date on which the request for  
22 the information is made.

23 “(2) OPPORTUNITY TO DISPUTE.—Before an  
24 adverse action is taken on the basis of a criminal  
25 record, the public housing agency shall provide the

1 resident or applicant with a copy of the criminal  
 2 record and an opportunity to dispute the accuracy  
 3 and relevance of that record.

4 “(3) FEE.—A public housing agency may be  
 5 charged a reasonable fee for information provided  
 6 under paragraph (1).

7 “(4) RECORDS MANAGEMENT.—Each public  
 8 housing agency shall establish and implement a sys-  
 9 tem of records management that ensures that any  
 10 criminal record received by the public housing agen-  
 11 cy is—

12 “(A) maintained confidentially;

13 “(B) not misused or improperly dissemi-  
 14 nated; and

15 “(C) destroyed, once the purpose for which  
 16 the record was requested has been accom-  
 17 plished.

18 “(5) DEFINITION.—For purposes of this sub-  
 19 section, the term ‘adult’ means a person who is 18  
 20 years of age or older, or who has been convicted of  
 21 a crime as an adult under any Federal or State law.

22 “(r) EVICTION FOR DRUG-RELATED ACTIVITY.—Any  
 23 resident evicted from housing assisted under this title by  
 24 reason of drug-related criminal activity (as such term is  
 25 defined in section 8(f)(5)) shall not be eligible for housing

1 assistance under this title during the 3-year period begin-  
 2 ning on the date of such eviction, unless the evicted resi-  
 3 dent successfully completes a rehabilitation program ap-  
 4 proved by the public housing agency (which shall include  
 5 a waiver of this subsection if the circumstances leading  
 6 to eviction no longer exist).”.

7 **SEC. 108. EXPANSION OF POWERS.**

8 (a) IN GENERAL.—Section 6(j)(3) of the United  
 9 States Housing Act of 1937 (42 U.S.C. 1437d(j)(3)) is  
 10 amended—

11 (1) in subparagraph (A)—

12 (A) by redesignating clauses (iii) and (iv)  
 13 as clauses (iv) and (v), respectively; and

14 (B) by inserting after clause (ii) the follow-  
 15 ing new clause:

16 “(iii) take possession of the public  
 17 housing agency, including any project or  
 18 function of the agency, including any  
 19 project or function under any other provi-  
 20 sion of this Act;”;

21 (2) by redesignating subparagraphs (B)  
 22 through (D) as subparagraphs (E) through (G), re-  
 23 spectively;

24 (3) by inserting after subparagraph (A) the fol-  
 25 lowing new subparagraphs:

1           “(B)(i) If a public housing agency is iden-  
2           tified as troubled under this subsection, the  
3           Secretary shall notify the agency of the troubled  
4           status of the agency.

5           “(ii) The Secretary may give a public  
6           housing agency a 1-year period, beginning on  
7           the date on which the agency receives notifica-  
8           tion from the Secretary of the troubled status  
9           of the agency under clause (i), within which to  
10          demonstrate improvement satisfactory to the  
11          Secretary. Nothing in this clause shall preclude  
12          the Secretary from taking any action the Sec-  
13          retary considers necessary before the com-  
14          mencement or the expiration of the 1-year pe-  
15          riod described in this clause.

16          “(iii) Upon the expiration of the 1-year pe-  
17          riod described in clause (ii), or in the case of  
18          a public housing agency identified as troubled  
19          before the effective date of this Act, upon the  
20          expiration of the 1-year period commencing on  
21          that date, if the troubled agency has not dem-  
22          onstrated improvement satisfactory to the Sec-  
23          retary and the Secretary has not yet declared  
24          the agency to be in breach of its contract with  
25          the Federal Government under this Act, the

1        Secretary shall declare the public housing agen-  
 2        cy to be in substantial default, as described in  
 3        subparagraph (A).

4            “(iv) Upon declaration of a substantial de-  
 5        fault under clause (iii), the Secretary—

6            “(I) shall either—

7            “(aa) petition for the appoint-  
 8        ment of a receiver pursuant to sub-  
 9        paragraph (A)(ii); or

10          “(bb) take possession of the pub-  
 11        lic housing agency or any development  
 12        or developments of the public housing  
 13        agency pursuant to subparagraph  
 14        (A)(iii); and

15          “(II) may, in addition, take other ap-  
 16        propriate action.

17          “(C)(i) If a receiver is appointed pursuant  
 18        to subparagraph (A)(ii), in addition to the pow-  
 19        ers accorded by the court appointing the re-  
 20        ceiver, the receiver—

21          “(I) may abrogate any contract that  
 22        substantially impedes correction of the sub-  
 23        stantial default;

1           ~~“(H) may demolish and dispose of the~~  
 2           ~~assets of the public housing agency, in ac-~~  
 3           ~~cordance with section 18;~~

4           ~~“(III) if determined to be appropriate~~  
 5           ~~by the Secretary, may require the estab-~~  
 6           ~~lishment, as permitted by applicable State~~  
 7           ~~and local law, of one or more new public~~  
 8           ~~housing agencies; and~~

9           ~~“(IV) shall not be subject to any~~  
 10          ~~State or local law relating to civil service~~  
 11          ~~requirements, employee rights, procure-~~  
 12          ~~ment, or financial or administrative con-~~  
 13          ~~trols that, in the determination of the re-~~  
 14          ~~ceiver, substantially impedes correction of~~  
 15          ~~the substantial default.~~

16          ~~“(ii) For purposes of this subparagraph,~~  
 17          ~~the term ‘public housing agency’ includes any~~  
 18          ~~project or function of a public housing agency,~~  
 19          ~~as appropriate, including any project or func-~~  
 20          ~~tion under any other provision of this Act.~~

21          ~~“(D)(i) If the Secretary takes possession of~~  
 22          ~~a public housing agency, or any project or func-~~  
 23          ~~tion of the agency, pursuant to subparagraph~~  
 24          ~~(A)(iii), the Secretary—~~



1           “(I) may abrogate any contract that  
2           substantially impedes correction of the sub-  
3           stantial default;

4           “(II) may demolish and dispose of the  
5           assets of the public housing agency, in ac-  
6           cordance with section 18;

7           “(III) may require the establishment,  
8           as permitted by applicable State and local  
9           law, of one or more new public housing  
10          agencies;

11          “(IV) shall not be subject to any  
12          State or local law relating to civil service  
13          requirements, employee rights, procure-  
14          ment, or financial or administrative con-  
15          trols that, in the determination of the Sec-  
16          retary, substantially impedes correction of  
17          the substantial default; and

18          “(V) shall have such additional au-  
19          thority as a district court of the United  
20          States could confer under like cir-  
21          cumstances on a receiver to fulfill the pur-  
22          poses of the receivership.

23          “(ii) The Secretary may appoint, on a  
24          competitive or noncompetitive basis, an individ-  
25          ual or entity as an administrative receiver to as-

1           sume the responsibilities of the Secretary under  
 2           this subparagraph for the administration of a  
 3           public housing agency. The Secretary may dele-  
 4           gate to the administrative receiver any or all of  
 5           the powers given the Secretary by this subpara-  
 6           graph, as the Secretary determines to be appro-  
 7           priate.

8           “(iii) Regardless of any delegation under  
 9           this subparagraph, an administrative receiver  
 10          may not require the establishment of one or  
 11          more new public housing agencies pursuant to  
 12          clause (i)(III), unless the Secretary first ap-  
 13          proves an application by the administrative re-  
 14          ceiver to authorize such establishment.

15          “(iv) For purposes of this subparagraph,  
 16          the term ‘public housing agency’ includes any  
 17          project or function of a public housing agency,  
 18          as appropriate, including any project or func-  
 19          tion under any other provision of this Act.”;  
 20          and

21          (4) by adding at the end the following new sub-  
 22          paragraph:

23               “(H) If the Secretary (or an administrative  
 24               receiver appointed by the Secretary) takes pos-  
 25               session of a public housing agency (including

1           any project or function of the agency) pursuant  
 2           to subparagraph (A)(iii), or if a receiver is ap-  
 3           pointed by a court pursuant to subparagraph  
 4           (A)(ii), the Secretary or receiver shall be  
 5           deemed to be acting not in that person's or en-  
 6           tity's official capacity, but rather in the capac-  
 7           ity of the public housing agency, and any liabil-  
 8           ity incurred, regardless of whether the incident  
 9           giving rise to such liability occurred while the  
 10          Secretary or receiver was in possession of the  
 11          public housing agency (including any project or  
 12          function of the agency), shall be the liability of  
 13          the public housing agency.”.

14          (b) APPLICABILITY.—The amendments made by sub-  
 15          section (a) shall apply to a public housing agency that is  
 16          found to be in substantial default, on or after the date  
 17          of enactment of this Act, with respect to the covenants  
 18          or conditions to which the agency is subject (as such sub-  
 19          stantial default is defined in the contract for contributions  
 20          of the agency) or with respect to an agreement entered  
 21          into under section 6(j)(2)(C) of the United States Housing  
 22          Act of 1937.

1 **SEC. 109. PUBLIC HOUSING DESIGNATED FOR THE ELDER-**  
 2 **LY AND THE DISABLED.**

3 Section 7 of the United States Housing Act of 1937  
 4 (42 U.S.C. 1437e) is amended to read as follows:

5 **“SEC. 7. AUTHORITY TO PROVIDE DESIGNATED HOUSING.**

6 “(a) **IN GENERAL.**—Notwithstanding any other pro-  
 7 vision of law, a public housing agency may, in its discre-  
 8 tion and without approval by the Secretary, designate pub-  
 9 lic housing projects or mixed-income projects (or portions  
 10 of projects) for occupancy as elderly housing, disabled  
 11 housing, or elderly and disabled housing. The public hous-  
 12 ing agency shall establish requirements for this section in  
 13 the public housing agency plan of the public housing agen-  
 14 cy.

15 “(b) **RELOCATION ASSISTANCE.**—A public housing  
 16 agency that converts any existing project or building, or  
 17 portion thereof, to elderly housing or disabled housing  
 18 shall provide to all persons or families who are to be relo-  
 19 cated in connection with the conversion—

20 “(1) notice of the conversion and relocation not  
 21 less than 6 months before the date of such action;

22 “(2) comparable housing (including appropriate  
 23 services and design features) at a rental rate that is  
 24 comparable to that applicable to the unit from which  
 25 the person or family has vacated; and

1           ~~“(3) payment of actual, reasonable moving ex-~~  
 2           ~~penses.~~

3           ~~“(e) COMPARABLE HOUSING.—For purposes of this~~  
 4           ~~section, tenant-based assistance under section 8(o) shall~~  
 5           ~~be deemed to be comparable housing, if the person or fam-~~  
 6           ~~ily who is relocated may obtain with such assistance hous-~~  
 7           ~~ing that is generally comparable to the housing that was~~  
 8           ~~vacated at a cost to the relocated person or family that~~  
 9           ~~is not in excess of the amount previously paid for the hous-~~  
 10           ~~ing vacated.~~

11           ~~“(d) UNIFORM RELOCATION AND REAL PROPERTY~~  
 12           ~~ACQUISITION ACT.—The Uniform Relocation and Real~~  
 13           ~~Property Acquisition Act shall not apply to activities~~  
 14           ~~under this section.”.~~

15           ~~**SEC. 110. PUBLIC AND INDIAN HOUSING CAPITAL AND OP-**~~  
 16           ~~**ERATING FUNDS.**~~

17           Section 9 of the United States Housing Act of 1937  
 18           ~~(42 U.S.C. 1437g)~~ is amended to read as follows:

19           ~~**“SEC. 9. PUBLIC AND INDIAN HOUSING CAPITAL AND OPER-**~~  
 20           ~~**ATING FUNDS.**~~

21           ~~“(a) IN GENERAL.—Except for assistance provided~~  
 22           ~~under section 8, all programs under which assistance is~~  
 23           ~~provided for public housing on the day before the effective~~  
 24           ~~date of the Public Housing Reform and Empowerment Act~~  
 25           ~~of 1995 shall be merged, as appropriate, into either—~~

1           ~~“(1) the Capital Fund established under sub-~~  
 2           ~~section (e); or~~

3           ~~“(2) the Operating Fund established under sub-~~  
 4           ~~section (d).~~

5           ~~“(b) USE OF EXISTING FUNDS.—With the exception~~  
 6           ~~of funds made available pursuant to section 20(f) and~~  
 7           ~~funds appropriated for the urban revitalization demonstra-~~  
 8           ~~tion program authorized under the Department of Veter-~~  
 9           ~~ans Affairs and Housing and Urban Development, and~~  
 10          ~~Independent Agencies Appropriations Acts—~~

11           ~~“(1) funds made available to the Secretary for~~  
 12           ~~public housing purposes that have not been obligated~~  
 13           ~~by the Secretary to a public housing agency before~~  
 14           ~~the effective date of the Public Housing Reform and~~  
 15           ~~Empowerment Act of 1995 shall be made available;~~  
 16           ~~for the period originally provided in law, for use in~~  
 17           ~~either the Capital Fund or the Operating Fund es-~~  
 18           ~~tablished under this section, as appropriate; and~~

19           ~~“(2) funds made available to the Secretary for~~  
 20           ~~public housing purposes that have been obligated by~~  
 21           ~~the Secretary to a public housing agency but that,~~  
 22           ~~as of the effective date of the Public Housing Re-~~  
 23           ~~form and Empowerment Act of 1995, have not been~~  
 24           ~~obligated by the public housing agency, may be~~  
 25           ~~made available by that public housing agency, for~~

1 the period originally provided in law, for use in ei-  
 2 ther the Capital Fund or the Operating Fund estab-  
 3 lished under this section, as appropriate.

4 “(c) CAPITAL FUND.—

5 “(1) IN GENERAL.—The Secretary shall estab-  
 6 lish a Capital Fund for the purpose of making  
 7 grants to public housing agencies principally—

8 “(A) to make physical improvements to, to  
 9 replace, or demolish public housing projects, or  
 10 portions of projects; and

11 “(B) for associated management improve-  
 12 ments.

13 “(2) GRANTS.—The Secretary shall make  
 14 grants to public housing agencies to carry out cap-  
 15 ital and management activities, including—

16 “(A) the development and modernization of  
 17 public housing projects, including the redesign,  
 18 reconstruction, and reconfiguration of public  
 19 housing sites and buildings;

20 “(B) vacancy reduction;

21 “(C) addressing deferred maintenance  
 22 needs and the replacement of dwelling equip-  
 23 ment;

24 “(D) planned code compliance;

25 “(E) management improvements;

1                   “(F) community services;

2                   “(G) demolition and replacement;

3                   “(H) tenant relocation; and

4                   “(I) activities to improve the economic  
5                   empowerment and self-sufficiency of public  
6                   housing tenants.

7                   “(3) LIMIT ON USE OF FUNDS.—Each public  
8                   housing agency may use not more than 20 percent  
9                   of the Capital Fund distribution of the public hous-  
10                  ing agency for activities under the Operating Fund  
11                  of the public housing agency pursuant to subsection  
12                  (d); provided that the public housing agency plan  
13                  provides for such use.

14                  “(d) OPERATING FUND.—

15                   “(1) IN GENERAL.—The Secretary shall estab-  
16                   lish an Operating Fund for the purpose of making  
17                   assistance available to public housing agencies for  
18                   the operation and management of public housing.

19                   “(2) GRANTS.—The Secretary shall make  
20                   grants to public housing agencies to carry out activi-  
21                   ties that relate to the operation and management of  
22                   public housing, including—

23                   “(A) anti-crime and anti-drug activities  
24                   (including those activities eligible for assistance  
25                   under the Public and Assisted Housing Drug



1        Elimination Act of 1990 and the Drug-Free  
2        Public Housing Act of 1988); and

3            “(B) activities related to the provision of  
4        service coordinators for elderly persons or per-  
5        sons with disabilities pursuant to section 673 of  
6        the Housing and Community Development Act  
7        of 1992.

8        “(c) ESTABLISHMENT OF FORMULAE.—

9            “(1) IN GENERAL.—The Secretary shall estab-  
10        lish formulae for providing assistance under the  
11        Capital Fund and the Operating Fund under this  
12        subsection.

13          “(2) FORMULAE REQUIREMENTS.—The for-  
14        mulae established under paragraph (1) shall include  
15        the following:

16            “(A) The needs of public housing agencies  
17        as identified through their public housing agen-  
18        cy plans submitted under section 5A.

19            “(B) The number of public housing dwell-  
20        ing units owned and operated by a housing  
21        management agency and occupied by low-in-  
22        come families (including the costs of conversion  
23        to tenant-based assistance under section 22).

24            “(C) The extent to which public housing  
25        agencies provide programs and activities de-

1 signed to promote the economic self-sufficiency  
2 of tenants.

3 “(D) The age, condition, and density of  
4 the low-income housing owned or operated by  
5 the agency.

6 “(E) The number of dwelling units owned  
7 and operated by the housing management agen-  
8 cy that are chronically vacant and the amount  
9 of assistance appropriate for such units.

10 “(F) The amount of assistance necessary  
11 to provide rehabilitation and operating expenses  
12 for public housing dwelling units including the  
13 amount of assistance to provide a safe environ-  
14 ment.

15 “(3) TRANSITION FORMULA.—The transition  
16 formula shall provide that each public housing agen-  
17 cy shall receive that percentage of funds which rep-  
18 resents the percentage of funds that the public hous-  
19 ing agency received, on average, for modernization  
20 costs and operating expenses during the 3 fiscal  
21 years of that public housing agency preceding imple-  
22 mentation of a formula established under paragraph  
23 (1).

24 “(4) PROCEDURES.—The Secretary shall estab-  
25 lish formulae under paragraph (1) through nego-

1       tiated rulemaking, and shall submit the formulae to  
 2       the Congress for review not later than 2 years after  
 3       the date of enactment of the Public Housing Reform  
 4       and Empowerment Act of 1995.

5       ~~“(5) APPROVAL.—Unless the Congress acts to~~  
 6       ~~disapprove a formula submitted under this sub-~~  
 7       ~~section, the formula shall be presumed to be ap-~~  
 8       ~~proved until a revised formula is adopted.~~

9       ~~“(6) OPERATING AND CAPITAL ASSISTANCE.—A~~  
 10       ~~resident management corporation managing a public~~  
 11       ~~housing development pursuant to a contract under~~  
 12       ~~this section shall be provided directly by the Sec-~~  
 13       ~~retary with operating and capital assistance under~~  
 14       ~~this title for purposes of operating the development~~  
 15       ~~and performing such other eligible activities with re-~~  
 16       ~~spect to the development as may be provided under~~  
 17       ~~the contract.~~

18       ~~“(f) NATIVE AMERICAN HOUSING PROGRAMS.—Not-~~  
 19       ~~withstanding any other provision of law, from amounts ap-~~  
 20       ~~propriated for the Capital Fund or the Operating Fund,~~  
 21       ~~the Secretary shall establish such formulae and programs~~  
 22       ~~as may be necessary to provide such sums as may be nec-~~  
 23       ~~essary to carry out housing programs for Indians.~~

1       “(g) TECHNICAL ASSISTANCE.—To the extent ap-  
 2 proved in appropriations Acts for grants, the Secretary  
 3 may provide—

4           “(1) technical assistance to public housing  
 5 agencies, resident councils, resident organizations,  
 6 and resident management corporations, including  
 7 monitoring, inspections, training for public housing  
 8 agency employees and residents, and data collection  
 9 and analysis; and

10          “(2) remedial activities associated with troubled  
 11 public housing agencies, as such agencies are so des-  
 12 ignated under section 6(j).

13       “(h) FUNDING FOR RESIDENT COUNCILS.—Of any  
 14 amounts made available in any fiscal year to carry out  
 15 this section, \$25,000,000 shall be made available to resi-  
 16 dent councils, resident organizations, or resident manage-  
 17 ment corporations, on a competitive basis, to carry out  
 18 resident management activities, and other activities de-  
 19 signed to improve the economic self-sufficiency of public  
 20 housing residents.

21       “(i) EMERGENCY RESERVE.—

22           “(1) IN GENERAL.—

23               “(A) SET-ASIDE.—In each fiscal year, the  
 24 Secretary shall set aside an amount not to ex-  
 25 ceed 2 percent of the amount appropriated to

1 carry out this section for that fiscal year for  
 2 use in accordance with this subsection.

3 “(B) USE OF FUNDS.—Amounts set aside  
 4 under this paragraph shall be available to the  
 5 Secretary for use in connection with emer-  
 6 gencies, and to fund the cost of demolitions,  
 7 modernization, and other activities if the Cap-  
 8 ital Fund and Operating Fund distributions of  
 9 any public housing agency are not adequate to  
 10 carry out activities relating to the goal of the  
 11 public housing agency of providing decent, safe,  
 12 and affordable housing in viable communities.

13 “(2) ALLOCATION.—Amounts set aside under  
 14 this paragraph shall be allocated pursuant to a com-  
 15 petition based upon relative need to such public  
 16 housing agencies, in such manner, and in such  
 17 amounts as the Secretary shall determine.”.

18 **SEC. 111. LABOR STANDARDS.**

19 Section 12 of the United States Housing Act of 1937  
 20 (42 U.S.C. 1437j) is amended by adding at the end the  
 21 following new subsection:

22 “(c) WORK REQUIREMENT.—

23 “(1) IN GENERAL.—Notwithstanding any other  
 24 provision of law, each adult member of each house-  
 25 hold assisted under this Act shall contribute not less

1       than 8 hours of volunteer work per month within the  
2       community of that adult.

3               ~~“(2) INCLUSION IN PLAN.—Each public housing~~  
4       ~~agency shall include in the plan submitted to the~~  
5       ~~Secretary under section 5A, a detailed description of~~  
6       ~~how the public housing agency intends to implement~~  
7       ~~and administer the requirements of paragraph (1).~~

8               ~~“(3) EXEMPTIONS.—The Secretary may provide~~  
9       ~~an exemption from the requirements of paragraph~~  
10      ~~(1) for any individual who is—~~

11              ~~“(A) not less than 62 years of age;~~

12              ~~“(B) a person with disabilities who is un-~~  
13      ~~able, as determined in accordance with guide-~~  
14      ~~lines established by the Secretary, to comply~~  
15      ~~with this section; or~~

16              ~~“(C) working full-time, a student, receiving~~  
17      ~~vocational training, or otherwise meeting work~~  
18      ~~requirements of a public assistance program.”.~~

19   **SEC. 112. REPEAL OF ENERGY CONSERVATION; CONSORTIA**  
20               **AND JOINT VENTURES.**

21       Section 13 of the United States Housing Act of 1937  
22   ~~(42 U.S.C. 1437k)~~ is amended to read as follows:

1 **“SEC. 13. CONSORTIA, JOINT VENTURES, AFFILIATES, AND**  
 2 **SUBSIDIARIES OF PUBLIC HOUSING AGEN-**  
 3 **CIES.**

4 **“(a) CONSORTIA.—**

5 **“(1) IN GENERAL.—**Any 2 or more public hous-  
 6 ing agencies may participate in a consortium for the  
 7 purpose of administering any or all of the housing  
 8 programs of those public housing agencies in accord-  
 9 ance with this section.

10 **“(2) EFFECT.—**With respect to any consortium  
 11 described in paragraph (1)—

12 **“(A) any assistance made available under**  
 13 this title to each of the public housing agencies  
 14 participating in the consortium shall be paid to  
 15 the consortium; and

16 **“(B) all planning and reporting require-**  
 17 **ments imposed upon each public housing agency**  
 18 **participating in the consortium with respect to**  
 19 **the programs operated by the consortium shall**  
 20 **be consolidated.**

21 **“(3) RESTRICTIONS.—**

22 **“(A) AGREEMENT.—**Each consortium de-  
 23 scribed in paragraph (1) shall be formed and  
 24 operated in accordance with a consortium  
 25 agreement, and shall be subject to the require-  
 26 ments of a joint public housing agency plan;

1 which shall be submitted by the consortium in  
2 accordance with section 5A.

3 ~~“(B) MINIMUM REQUIREMENTS.—~~The Sec-  
4 retary shall specify minimum requirements re-  
5 lating to the formation and operation of consor-  
6 tia and the minimum contents of consortium  
7 agreements under this paragraph.

8 ~~“(b) JOINT VENTURES.—~~

9 ~~“(1) IN GENERAL.—~~Notwithstanding any other  
10 provision of law, a public housing agency, in accord-  
11 ance with its public housing agency plan submitted  
12 under section 5A, may—

13 ~~“(A) form and operate wholly owned or~~  
14 ~~controlled subsidiaries (which may be nonprofit~~  
15 ~~corporations) and other affiliates, any of which~~  
16 ~~may be directed, managed, or controlled by the~~  
17 ~~same persons who constitute the board of com-~~  
18 ~~missioners or other similar governing body of~~  
19 ~~the public housing agency, or who serve as em-~~  
20 ~~ployees or staff of the public housing agency; or~~

21 ~~“(B) enter into joint ventures, partner-~~  
22 ~~ships, or other business arrangements with, or~~  
23 ~~contract with, any person, organization, entity,~~  
24 ~~or governmental unit, with respect to the ad-~~  
25 ~~ministration of the programs of the public hous-~~



1           ing agency, including any program that is sub-  
2           ject to this title.

3           ~~“(2) USE OF INCOME.—Any income generated~~  
4           under paragraph (1) shall be used for low-income  
5           housing or to benefit the tenants of the public hous-  
6           ing agency.

7           ~~“(3) AUDITS.—The Secretary may conduct an~~  
8           audit of any activity undertaken under paragraph  
9           (1) at any time.”.

10   **SEC. 113. REPEAL OF MODERNIZATION FUND.**

11           Section 14 of the United States Housing Act of 1937  
12   (42 U.S.C. 1437l) is repealed.

13   **SEC. 114. INCOME ELIGIBILITY FOR ASSISTED HOUSING.**

14           Section 16 of the United States Housing Act of 1937  
15   (42 U.S.C. 1437n) is amended to read as follows:

16   **“SEC. 16. INCOME ELIGIBILITY FOR ASSISTED HOUSING.**

17           ~~“(a) IN GENERAL.—~~

18           ~~“(1) INITIAL OCCUPANCY BY CERTAIN HOUSE-~~  
19           HOLDS.—Of the dwelling units of a public housing  
20           agency, including public housing units in a des-  
21           ignated mixed-income project, made available for ini-  
22           tial occupancy—

23                   ~~“(A) not less than 40 percent shall be oc-~~  
24           cupied by households whose incomes do not ex-

1           ceed 30 percent of the area median income for  
2           such households; and

3           “(B) any remaining dwelling units may be  
4           made available for households whose incomes do  
5           not exceed 80 percent of the area median in-  
6           come for such households.

7           “(2) ESTABLISHMENT OF DIFFERENT STAND-  
8           ARDS.—Notwithstanding paragraph (1), if approved  
9           by the Secretary, a public housing agency may for  
10          good cause establish and implement an occupancy  
11          standard other than the standard described in para-  
12          graph (1).

13          “(b) APPLICABILITY TO INDIAN HOUSING.—Sub-  
14          section (a) shall not apply to any dwelling unit assisted  
15          by an Indian housing agency.”.

16       **SEC. 115. DEMOLITION AND DISPOSITION OF PUBLIC HOUS-**  
17                               **ING.**

18          (a) IN GENERAL.—Section 18 of the United States  
19          Housing Act of 1937 (42 U.S.C. 1437p) is amended to  
20          read as follows:

21       **“SEC. 18. DEMOLITION AND DISPOSITION OF PUBLIC HOUS-**  
22                               **ING.**

23          “(a) APPLICATIONS FOR DEMOLITION AND DISPOSI-  
24          TION.—Not later than 60 days after receiving an applica-  
25          tion by a public housing agency for authorization, with

1 or without financial assistance under this title, to demolish  
 2 or dispose of a public housing project or a portion of a  
 3 public housing project, the Secretary shall approve the ap-  
 4 plication, if the public housing agency certifies—

5 “(1) in the case of—

6 “(A) an application proposing demolition  
 7 of a public housing project or a portion of a  
 8 public housing project, that—

9 “(i) the project or portion of the  
 10 project is obsolete as to physical condition,  
 11 location, or other factors, making it unsuit-  
 12 able for housing purposes; and

13 “(ii) no reasonable program of modi-  
 14 fications is cost-effective to return the  
 15 project or portion of the project to useful  
 16 life; and

17 “(B) an application proposing the demoli-  
 18 tion of only a portion of a project, that the  
 19 demolition will help to assure the useful life of  
 20 the remaining portion of the project;

21 “(2) in the case of an application proposing dis-  
 22 position of public housing project or other real prop-  
 23 erty subject to this title by sale or other transfer,  
 24 that—

1           “(A) the retention of the property is not in  
2           the best interests of the residents or the public  
3           housing agency because—

4                   “(i) conditions in the area surround-  
5                   ing the project adversely affect the health  
6                   or safety of the residents or the feasible  
7                   operation of the project by the public hous-  
8                   ing agency; or

9                   “(ii) disposition allows the acquisition,  
10                  development, or rehabilitation of other  
11                  properties that will be more efficiently or  
12                  effectively operated as low-income housing;

13           “(B) the public housing agency has other-  
14           wise determined the disposition to be appro-  
15           priate for reasons that are—

16                   “(i) in the best interests of the resi-  
17                   dents and the public housing agency;

18                   “(ii) consistent with the goals of the  
19                   public housing agency and the public hous-  
20                   ing agency plan of the public housing  
21                   agency; and

22                   “(iii) otherwise consistent with this  
23                   title; or

24           “(C) for property other than dwelling  
25           units, the property is excess to the needs of a

1 public housing project or the disposition is inci-  
 2 dental to, or does not interfere with, continued  
 3 operation of a public housing project;

4 “(3) that the public housing agency has specifi-  
 5 cally authorized the demolition or disposition in the  
 6 public housing agency plan of the public housing  
 7 agency submitted under section 5A, and has cer-  
 8 tified that the actions contemplated in the public  
 9 housing agency plan comply with the requirements  
 10 of this section;

11 “(4) that the public housing agency—

12 “(A) will provide for the payment of the  
 13 relocation expenses of each resident to be dis-  
 14 placed;

15 “(B) will ensure that the amount of rent  
 16 paid by the tenant following relocation will not  
 17 exceed the amount permitted under this Act;  
 18 and

19 “(C) will not commence demolition or dis-  
 20 position until all tenants residing in the unit  
 21 are relocated;

22 “(5) that the net proceeds of any disposition  
 23 will be used—

24 “(A) unless waived by the Secretary, for  
 25 the retirement of outstanding obligations issued

1 to finance the original public housing project or  
 2 modernization of the project; and

3 “(B) to the extent that any proceeds re-  
 4 main after the application of proceeds in ac-  
 5 cordance with subparagraph (A), for the provi-  
 6 sion of low-income housing or to benefit the  
 7 tenants of the public housing agency; and

8 “(6) that the public housing agency has com-  
 9 plied with subsection (b).

10 “(b) TENANT OPPORTUNITY TO PURCHASE IN CASE  
 11 OF PROPOSED DISPOSITION.—

12 “(1) IN GENERAL.—In the case of a proposed  
 13 disposition of a public housing project or portion of  
 14 a project, the public housing agency shall, in appro-  
 15 priate circumstances, as determined by the Sec-  
 16 retary, initially offer the property to any eligible  
 17 resident organization, eligible resident management  
 18 corporation, or nonprofit organization for resale to  
 19 low-income families, if such entity—

20 “(A) is operating only at the public hous-  
 21 ing project that is the subject of the disposition;  
 22 and

23 “(B) has expressed an interest, in writing,  
 24 to the public housing agency in a timely man-

1           ner, in purchasing the property for continued  
2           use as low-income housing.

3       ~~“(2) TIMING.—~~

4               ~~“(A) THIRTY-DAY NOTICE.—~~A resident or-  
5           ganization, resident management corporation,  
6           or other entity referred to in paragraph (1) may  
7           express interest in purchasing property that is  
8           the subject of a disposition, as described in  
9           paragraph (1), during the 30-day period begin-  
10          ning on the date of notification of a proposed  
11          sale of the property.

12               ~~“(B) SIXTY-DAY NOTICE.—~~If an entity ex-  
13           presses written interest in purchasing a prop-  
14           erty, as provided in subparagraph (A), no dis-  
15           position of the property shall occur during the  
16           60-day period beginning on the date of receipt  
17           of such written notice, during which time that  
18           entity shall be given the opportunity to obtain  
19           a firm commitment for financing the purchase  
20           of the property.

21       ~~“(c) HOMEOWNERSHIP ACTIVITIES.—~~This section  
22   does not apply to the disposition of a public housing  
23   project, or any portion thereof, in accordance with a home-  
24   ownership program under which the property is sold or  
25   conveyed to low-income persons or families or to an orga-

1 nization acting as a conduit for sales or conveyances to  
 2 such persons or families.

3 “(d) ~~REPLACEMENT UNITS.~~—Notwithstanding any  
 4 other provision of law, replacement housing units for pub-  
 5 lie housing units demolished in accordance with this sec-  
 6 tion may be built on the original public housing location  
 7 or in the same neighborhood as the original public housing  
 8 location if the number of such replacement units is fewer  
 9 than the number of units demolished.”.

10 (b) ~~HOMEOWNERSHIP REPLACEMENT PLAN.~~—

11 (1) ~~IN GENERAL.~~—Section 304(g) of the United  
 12 States Housing Act of 1937 (42 U.S.C. 1437aaa–  
 13 3(g)), as amended by section 1002(b) of the Emer-  
 14 gency Supplemental Appropriations for Additional  
 15 Disaster Assistance, for Anti-terrorism Initiatives,  
 16 for Assistance in the Recovery from the Tragedy  
 17 that Occurred At Oklahoma City, and Rescissions  
 18 Act, 1995, is amended to read as follows:

19 “(g) [Reserved.]”.

20 (2) ~~EFFECTIVE DATE.~~—The amendment made  
 21 by paragraph (1) shall be effective for plans for the  
 22 demolition, disposition, or conversion to homeown-  
 23 ership of public housing approved by the Secretary  
 24 after September 30, 1995.



1       (c) ~~UNIFORM RELOCATION AND REAL PROPERTY~~  
 2 ~~ACQUISITION ACT.~~—The Uniform Relocation and Real  
 3 Property Acquisition Act shall not apply to activities  
 4 under section 18 of the United States Housing Act of  
 5 1937, as amended by this section.

6 **SEC. 116. REPEAL OF FAMILY INVESTMENT CENTERS;**  
 7 **VOUCHERS FOR PUBLIC HOUSING.**

8       (a) ~~IN GENERAL.~~—Section 22 of the United States  
 9 Housing Act of 1937 (42 U.S.C. 1437t) is amended to  
 10 read as follows:

11 **~~“SEC. 22. VOUCHERS FOR PUBLIC HOUSING.~~**

12       ~~“(a) IN GENERAL.—~~

13               ~~“(1) AUTHORIZATION.—A public housing agen-~~  
 14       ~~cy may convert any public housing project (or por-~~  
 15       ~~tion thereof) owned and operated by the public hous-~~  
 16       ~~ing agency to a system of tenant-based assistance in~~  
 17       ~~accordance with this section.~~

18               ~~“(2) REQUIREMENTS.—In making a conversion~~  
 19       ~~under this section, the public housing agency shall~~  
 20       ~~develop a conversion plan and an assessment under~~  
 21       ~~subsection (b) in consultation with the appropriate~~  
 22       ~~public housing officials and residents, which plan~~  
 23       ~~and assessment shall be consistent with and part of~~  
 24       ~~the public housing agency plan submitted under sec-~~  
 25       ~~tion 5A, and shall describe the conversion and future~~

1 use or disposition of the public housing project, in-  
 2 cluding an impact analysis on the affected commu-  
 3 nity.

4 “(b) ~~CONVERSION ASSESSMENT.—~~

5 “(1) ~~IN GENERAL.—~~Not later than 2 years  
 6 after the date of enactment of the Public Housing  
 7 Reform and Empowerment Act of 1995, each public  
 8 housing agency shall assess the status of each public  
 9 housing project owned and operated by that public  
 10 housing agency and shall submit to the Secretary a  
 11 report that includes—

12 “(A) a cost analysis of the public housing  
 13 project, including costs attributable to the phys-  
 14 ical condition, modernization needs, operating  
 15 costs, and market value (both before and after  
 16 rehabilitation) of the project;

17 “(B) a market analysis of the public hous-  
 18 ing project, including an evaluation of the avail-  
 19 ability of rental dwelling units at or below the  
 20 fair market rent in the market area in which  
 21 the public housing project is located; and

22 “(C) the impact of the conversion on the  
 23 neighborhood in which the public housing  
 24 project is located.

1           ~~“(2) STREAMLINED ASSESSMENT.—The Sec-~~  
 2           ~~retary may waive or otherwise require a streamlined~~  
 3           ~~assessment at the request of the public housing~~  
 4           ~~agency.~~

5           ~~“(e) COST OF CONVERSION.—The cost of any conver-~~  
 6           ~~sion under this section shall be payable from funds made~~  
 7           ~~available from the Capital Fund and the Operating Fund~~  
 8           ~~established under section 9 attributable to the converted~~  
 9           ~~public housing and any additional funds made available~~  
 10          ~~by the Secretary or in an appropriations Act.”.~~

11          ~~(b) SAVINGS PROVISION.—The amendment made by~~  
 12          ~~subsection (a) does not affect any contract or other agree-~~  
 13          ~~ment entered into under section 23 of the United States~~  
 14          ~~Housing Act of 1937, as that section existed on the day~~  
 15          ~~before the date of enactment of this Act.~~

16       ~~**SEC. 117. REPEAL OF FAMILY SELF-SUFFICIENCY; HOME-**~~  
 17                               ~~**OWNERSHIP OPPORTUNITIES.**~~

18          ~~(a) IN GENERAL.—Section 23 of the United States~~  
 19          ~~Housing Act of 1937 (42 U.S.C.1437u) is amended to~~  
 20          ~~read as follows:~~

21       ~~**“SEC. 23. PUBLIC HOUSING HOMEOWNERSHIP OPPORTUNI-**~~  
 22                               ~~**TIES.**~~

23          ~~“(a) IN GENERAL.—Notwithstanding any other pro-~~  
 24          ~~vision of law, a public housing agency may sell low-income~~  
 25          ~~dwelling units, to the low-income residents of the public~~

1 housing agency, to other low-income persons or families;  
 2 or to organizations serving as conduits for sales to such  
 3 persons.

4 “(b) SALE PRICES, TERMS AND CONDITIONS.—Any  
 5 sales under subsection (a) may involve such sales prices,  
 6 terms, and conditions as the public housing agency may  
 7 determine in accordance with procedures set forth in the  
 8 public housing agency plan of the public housing agency  
 9 submitted under section 5A.

10 “(c) PROTECTION OF NONPURCHASING FAMILIES.—  
 11 If a tenant decides not to purchase a unit, or is not quali-  
 12 fied to do so, the public housing agency shall—

13 “(1) ensure that rental assistance under section  
 14 8 is made available to the tenant; and

15 “(2) provide for the payment of the reasonable  
 16 relocation expenses of the tenant.

17 “(d) NET PROCEEDS.—The net proceeds of any sales  
 18 under this section remaining after payment of all costs  
 19 of the sale and any unassumed, unpaid indebtedness owed  
 20 in connection with the dwelling units sold unless waived  
 21 by the Secretary, shall be used for purposes relating to  
 22 low-income housing and in accordance with the public  
 23 housing agency plan of the public housing agency submit-  
 24 ted under section 5A.”

1       (b) SAVINGS PROVISION.—The amendment made by  
 2 subsection (a) does not affect any contract or other agree-  
 3 ment entered into under section 23 of the United States  
 4 Housing Act of 1937, as that section existed on the day  
 5 before the date of enactment of this Act.

6   **SEC. 118. CONVERSION OF DISTRESSED PUBLIC HOUSING**  
 7                   **TO VOUCHERS.**

8       (a) IN GENERAL.—Title I of the United States Hous-  
 9 ing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by  
 10 adding at the end the following new section:

11   **“SEC. 28. CONVERSION OF DISTRESSED PUBLIC HOUSING**  
 12                   **TO VOUCHERS.**

13       “(a) IDENTIFICATION OF UNITS.—Each public hous-  
 14 ing agency shall identify any public housing develop-  
 15 ments—

16               “(1) that are on the same or contiguous sites;

17               “(2) that total more than—

18                       “(A) 600 dwelling units; or

19                       “(B) in the case of high-rise family build-  
 20 ings or substantially vacant buildings, 300  
 21 dwelling units;

22               “(3) that have a vacancy rate of at least 10  
 23 percent for dwelling units not in funded, on-schedule  
 24 modernization programs;

1           “(4) identified as distressed housing that the  
2           public housing agency cannot assure the long-term  
3           viability as public housing through density reduction;  
4           achievement of a broader range of household income;  
5           or other measures; and

6           “(5) for which the estimated cost of continued  
7           operation and modernization of the developments as  
8           public housing exceeds the cost of providing tenant-  
9           based assistance under section 8 for all families in  
10          occupancy.

11          “(b) CONSULTATION.—Each public housing agency  
12          shall consult with the applicable public housing tenants  
13          and the unit of general local government in identifying any  
14          public housing under subsection (a).

15          “(c) REMOVAL OF UNITS FROM THE INVENTORIES  
16          OF PUBLIC HOUSING AGENCIES.—

17                 “(1) IN GENERAL.—Each public housing agen-  
18                 cy shall develop a plan in conjunction with the Sec-  
19                 retary for the removal of public housing units identi-  
20                 fied under subsection (a), over a period of not more  
21                 than 5 years, from the inventory of the public hous-  
22                 ing agency and the annual contributions contract.  
23                 The plan shall be approved as part of the public  
24                 housing agency plan under section 5A and by the  
25                 relevant local official as consistent with the Com-

1       prehensive Housing Affordability Strategy under  
 2       title I of the Housing and Community Development  
 3       Act of 1992, including a description of any disposi-  
 4       tion and demolition plan for the public housing  
 5       units.

6               “(2) EXTENSIONS.—The Secretary may extend  
 7       the deadline in paragraph (1) by not more than 5  
 8       years if the Secretary makes a determination that  
 9       the deadline is impracticable.

10              “(3) DEMOLITION AND DISPOSITION.—To the  
 11       extent approved in advance in an appropriations Act,  
 12       the Secretary may establish requirements and pro-  
 13       vide funding under the Urban Revitalization Dem-  
 14       onstration program for demolition and disposition of  
 15       public housing under this section.

16              “(d) CONVERSION TO TENANT-BASED ASSIST-  
 17       ANCE.—

18              “(1) IN GENERAL.—The Secretary shall make  
 19       authority available to a public housing agency to  
 20       provide tenant-based assistance pursuant to section  
 21       8 to families residing in any development that is re-  
 22       moved from the inventory of the public housing  
 23       agency and the annual contributions contract pursu-  
 24       ant to subsection (b).

1           “(2) ~~CONVERSION PLANS.—~~Each conversion  
2           plan under subsection (c) shall—

3                     “(A) ~~require the agency to notify families~~  
4                     ~~residing in the development, consistent with any~~  
5                     ~~guidelines issued by the Secretary governing~~  
6                     ~~such notifications, that the development shall be~~  
7                     ~~removed from the inventory of the public hous-~~  
8                     ~~ing agency and the families shall receive tenant-~~  
9                     ~~based or project-based assistance, and to pro-~~  
10                    ~~vide any necessary counseling for families; and~~

11                   “(B) ~~ensure that all tenants affected by a~~  
12                   ~~determination under this section that a develop-~~  
13                   ~~ment shall be removed from the inventory of a~~  
14                   ~~public housing agency shall be offered tenant-~~  
15                   ~~based or project-based assistance and shall be~~  
16                   ~~relocated to other decent, safe, and affordable~~  
17                   ~~housing that is, to the maximum extent prac-~~  
18                   ~~ticable, housing of their choice.~~

19           “(c) ~~ADMINISTRATION.—~~

20                   “(1) ~~IN GENERAL.—~~The Secretary may require  
21                   a public housing agency to provide such information  
22                   as the Secretary considers necessary for the adminis-  
23                   tration of this section.

24                   “(2) ~~APPLICABILITY OF SECTION 18.—~~Section  
25                   18 does not apply to the demolition of developments



1 removed from the inventory of the public housing  
2 agency under this section.”.

3 **SEC. 119. APPLICABILITY TO INDIAN HOUSING.**

4 In accordance with section 201(b)(2) of the United  
5 States Housing Act of 1937, except as otherwise provided  
6 in this Act, this title and the amendments made by this  
7 title shall apply to public housing developed or operated  
8 pursuant to a contract between the Secretary and an In-  
9 dian housing authority, as such term is defined in section  
10 3(b) of the United States Housing Act of 1937.

11 **TITLE II—SECTION 8 RENTAL**  
12 **ASSISTANCE**

13 **SEC. 201. MERGER OF THE CERTIFICATE AND VOUCHER**  
14 **PROGRAMS.**

15 Section 8(o) of the United States Housing Act of  
16 1937 (42 U.S.C. 1437f(o)) is amended to read as follows:

17 “(o) VOUCHER PROGRAM.—

18 “(1) PAYMENT STANDARD.—

19 “(A) IN GENERAL.—The Secretary may  
20 provide assistance to public housing agencies  
21 for tenant-based assistance using a payment  
22 standard established in accordance with sub-  
23 paragraph (B). The payment standard shall be  
24 used to determine the monthly assistance that

1 may be paid for any family, as provided in  
 2 paragraph (2).

3 “(B) ESTABLISHMENT OF PAYMENT  
 4 STANDARD.—The payment standard shall not  
 5 exceed 120 percent of the fair market rental es-  
 6 tablished under subsection (c) and shall be not  
 7 less than 80 percent of that fair market rental.

8 “(C) SET-ASIDE.—The Secretary may set  
 9 aside not more than 5 percent of the budget au-  
 10 thority available under this subsection as an ad-  
 11 justment pool. The Secretary shall use amounts  
 12 in the adjustment pool to make adjusted pay-  
 13 ments to public housing agencies under sub-  
 14 paragraph (A), to ensure continued afford-  
 15 ability, if the Secretary determines that addi-  
 16 tional assistance for such purpose is necessary,  
 17 based on documentation submitted by a public  
 18 housing agency.

19 “(D) APPROVAL.—The public housing  
 20 agency shall submit the payment standard of  
 21 the public housing agency as part of the public  
 22 housing agency plan submitted under section  
 23 5A.

24 “(E) REVIEW.—The Secretary shall mon-  
 25 itor rent burdens and review any payment

1 standard that results in a significant percentage  
 2 of the families occupying units of any size pay-  
 3 ing more than 30 percent of adjusted income  
 4 for rent. The Secretary shall require each public  
 5 housing agency to modify the payment standard  
 6 based on the results of such review.

7 ~~“(2) AMOUNT OF MONTHLY ASSISTANCE PAY-~~  
 8 ~~MENT.—~~

9 ~~“(A) FAMILIES RECEIVING TENANT-BASED~~  
 10 ~~ASSISTANCE; RENT DOES NOT EXCEED PAY-~~  
 11 ~~MENT STANDARD.—For a family receiving ten-~~  
 12 ~~ant-based assistance under this title, if the rent~~  
 13 ~~for that family (including the amount allowed~~  
 14 ~~for tenant-paid utilities) does not exceed the~~  
 15 ~~payment standard established under paragraph~~  
 16 ~~(1), the monthly assistance payment to that~~  
 17 ~~family shall be equal to the amount by which~~  
 18 ~~the rent exceeds the greatest of the following~~  
 19 ~~amounts, rounded to the nearest dollar:~~

20 ~~“(i) Thirty percent of the monthly ad-~~  
 21 ~~justed income of the family.~~

22 ~~“(ii) Ten percent of the monthly in-~~  
 23 ~~come of the family.~~

24 ~~“(iii) If the family is receiving pay-~~  
 25 ~~ments for welfare assistance from a public~~

1           agency and a part of such payments, ad-  
 2           justed in accordance with the actual hous-  
 3           ing costs of the family, is specifically des-  
 4           ignated by such agency to meet the hous-  
 5           ing costs of the family, the portion of such  
 6           payments that is so designated.

7           ~~“(B) FAMILIES RECEIVING TENANT-BASED~~  
 8           ~~ASSISTANCE; RENT EXCEEDS PAYMENT STAND-~~  
 9           ~~ARD.—For a family receiving tenant-based as-~~  
 10          ~~sistance under this title, if the rent for that~~  
 11          ~~family (including the amount allowed for ten-~~  
 12          ~~ant-paid utilities) exceeds the payment standard~~  
 13          ~~established under paragraph (1), the monthly~~  
 14          ~~assistance payment to that family shall be equal~~  
 15          ~~to the amount by which the applicable payment~~  
 16          ~~standard exceeds the greatest of the following~~  
 17          ~~amounts, rounded to the nearest dollar:~~

18           ~~“(i) Thirty percent of the monthly ad-~~  
 19           ~~justed income of the family.~~

20           ~~“(ii) Ten percent of the monthly in-~~  
 21           ~~come of the family.~~

22           ~~“(iii) If the family is receiving pay-~~  
 23           ~~ments for welfare assistance from a public~~  
 24           ~~agency and a part of such payments, ad-~~  
 25           ~~justed in accordance with the actual hous-~~

ing costs of the family, is specifically designated by such agency to meet the housing costs of the family, the portion of such payments that is so designated.

~~“(C) FAMILIES RECEIVING PROJECT-BASED ASSISTANCE.—For a family receiving project-based assistance under this title, the rent that the family is required to pay shall be determined in accordance with section 3(a)(1), and the amount of the housing assistance payment shall be determined in accordance with subsection (c)(3) of this section.~~

~~“(3) FORTY PERCENT LIMIT.—At the time at which a family initially receives tenant-based assistance under this title with respect to any dwelling unit, the total amount that a family may be required to pay for rent may not exceed 40 percent of the monthly adjusted income of the family.~~

~~“(4) ELIGIBLE FAMILIES.—At the time at which a family initially receives assistance under this subsection, a family shall qualify as—~~

~~“(A) a very low-income family;~~

~~“(B) a family previously assisted under this title;~~

1           “(C) a low-income family that meets eligi-  
 2           bility criteria specified by the public housing  
 3           agency;

4           “(D) a family that qualifies to receive a  
 5           voucher in connection with a homeownership  
 6           program approved under title IV of the Cran-  
 7           ston-Gonzalez National Affordable Housing Act;  
 8           or

9           “(E) a family that qualifies to receive a  
 10          voucher under section 223 or 226 of the Low-  
 11          Income Housing Preservation and Resident  
 12          Homeownership Act of 1990.

13          “(5) ANNUAL REVIEW OF FAMILY INCOME.—  
 14          Each public housing agency shall, not less frequently  
 15          than annually, conduct a review of the family income  
 16          of each family receiving assistance under this sub-  
 17          section.

18          “(6) SELECTION OF FAMILIES.—

19                 “(A) IN GENERAL.—Each public housing  
 20                 agency may establish local preferences consist-  
 21                 ent with its public housing agency plan submit-  
 22                 ted under section 5A.

23                 “(B) EVICTION FOR DRUG-RELATED AC-  
 24                 TIVITY.—Any individual or family evicted from  
 25                 housing assisted under this subsection by rea-

son of drug-related criminal activity (as defined in subsection (f)(5)) shall not be eligible for housing assistance under this title during the 3-year period beginning on the date of such eviction, unless the evicted tenant successfully completes a rehabilitation program approved by the public housing agency (which shall include waiver for any member of the family of an individual prohibited from receiving assistance under this title whom the public housing agency determines clearly did not participate in and had no knowledge of such criminal activity, or if the circumstances leading to the eviction no longer exist).

“(C) SELECTION OF TENANTS.—The selection of tenants shall be made by the owner of the dwelling unit, subject to the annual contributions contract between the Secretary and the public housing agency.

“(7) LEASE.—Each housing assistance payment contract entered into by the public housing agency and the owner of a dwelling unit shall provide that—

1           “(A) the screening and selection of house-  
 2 holds for such units shall be the function of the  
 3 owner;

4           “(B) the lease between the tenant and the  
 5 owner shall be for a term of not less than 1  
 6 year, except that the public housing agency may  
 7 approve a shorter term for an initial lease be-  
 8 tween the tenant and the dwelling unit owner if  
 9 the public housing agency determines that such  
 10 shorter term would improve housing opportuni-  
 11 ties for the tenant;

12           “(C) except as otherwise provided by the  
 13 public housing agency, may provide for a termi-  
 14 nation of the tenancy of a resident assisted  
 15 under this subsection after 1 year;

16           “(D) the dwelling unit owner shall offer  
 17 leases to tenants assisted under this subsection  
 18 that are—

19                   “(i) in a standard form used in the lo-  
 20 cality by the dwelling unit owner; and

21                   “(ii) contain terms and conditions  
 22 that—

23                           “(I) are consistent with State  
 24 and local law; and



1                   “(H) apply generally to tenants  
 2                   in the property who are not assisted  
 3                   under this section;

4                   “(E) the dwelling unit owner may not ter-  
 5                   minate the tenancy of any person assisted  
 6                   under this subsection during the term of a lease  
 7                   that meets the requirements of this section un-  
 8                   less the owner determines, on the same basis  
 9                   and in the same manner as would apply to a  
 10                  tenant in the property who does not receive as-  
 11                  sistance under this subsection, that—

12                  “(i) the tenant has committed a seri-  
 13                  ous violation of the terms and conditions of  
 14                  the lease;

15                  “(ii) the tenant has violated applicable  
 16                  Federal, State, or local law; or

17                  “(iii) other good cause for termination  
 18                  of the tenancy exists; and

19                  “(F) any termination of tenancy under this  
 20                  subsection shall be preceded by the provision of  
 21                  written notice by the owner to the tenant speci-  
 22                  fying the grounds for such action; and any re-  
 23                  lief shall be consistent with applicable State and  
 24                  local law.

1           “(8) INSPECTION OF UNITS BY PUBLIC HOUS-  
2           ING AGENCIES.—

3           “(A) IN GENERAL.—Except as provided in  
4           subparagraph (B), for each dwelling unit for  
5           which a housing assistance payment contract is  
6           established under this subsection, the public  
7           housing agency shall—

8           “(i) inspect the unit before any assist-  
9           ance payment is made to determine wheth-  
10          er the dwelling unit meets housing quality  
11          standards for decent and safe housing es-  
12          tablished—

13                 “(I) by the Secretary for pur-  
14                 poses of this subsection; or

15                 “(II) by local housing codes that  
16                 exceed housing quality standards or  
17                 by housing agency-designed codes that  
18                 exceed housing quality standards; and

19                 “(ii) make periodic inspections during  
20                 the contract term.

21           “(B) LEASING OF UNITS OWNED BY PUB-  
22           LIC HOUSING AGENCY.—If an eligible household  
23           assisted under this subsection leases a dwelling  
24           unit that is owned by a public housing agency  
25           administering assistance under this subsection,

1 the Secretary shall require the unit of general  
2 local government, or another entity approved by  
3 the Secretary, to make inspections and rent de-  
4 terminations as required by this paragraph.

5 “(9) EXPEDITED INSPECTION PROCEDURES.—

6 The Secretary shall establish a demonstration  
7 project to identify efficient procedures to determine  
8 whether units meet housing quality standards for de-  
9 cent and safe housing established by the Secretary.

10 The demonstration project shall include the develop-  
11 ment of procedures to be followed in any case in  
12 which a family receiving tenant-based assistance  
13 under this subsection is moving into a dwelling unit,  
14 or in which a family notifies the Secretary that a  
15 dwelling unit in which they no longer live fails to  
16 meet housing quality standards. The Secretary shall  
17 also establish procedures for the expedited repair  
18 and inspection of units that do not meet housing  
19 quality standards.

20 “(10) VACATED UNITS.—If a family vacates a  
21 dwelling unit, no assistance payment may be made  
22 under this subsection for the dwelling unit after the  
23 month during which the unit was vacated.

24 “(11) RENT.—

1           “(A) REASONABLE MARKET RENT.—The  
2           rent for dwelling units for which a housing as-  
3           sistance payment contract is established under  
4           this subsection shall be reasonable in compari-  
5           son with rents charged for comparable dwelling  
6           units in the private, unassisted, local market.

7           “(B) NEGOTIATED RENT.—A public hous-  
8           ing agency shall, at the request of a family re-  
9           ceiving tenant-based assistance under this sub-  
10          section, assist such family in negotiating a rea-  
11          sonable rent with a dwelling unit owner. A pub-  
12          lic housing agency shall review the rent for a  
13          unit under consideration by the family (and all  
14          rent increases for units under lease by the fam-  
15          ily) to determine whether the rent (or rent in-  
16          crease) requested by the owner is reasonable. If  
17          a public housing agency determines that the  
18          rent (or rent increase) for a dwelling unit is not  
19          reasonable, the public housing agency shall not  
20          make housing assistance payments to the owner  
21          under this subsection with respect to such unit.

22          “(C) UNITS EXEMPT FROM LOCAL RENT  
23          CONTROL.—If a dwelling unit for which a hous-  
24          ing assistance payment contract is established  
25          under this subsection is exempt from local rent

1 control provisions during the term of such con-  
 2 tract, the rent for such unit shall be reasonable  
 3 in comparison with other units in the market  
 4 area that are exempt from local rent control  
 5 provisions.

6 “(D) **TIMELY PAYMENTS.**—Each public  
 7 housing agency shall make timely payment of  
 8 any amounts due to a dwelling unit owner  
 9 under this subsection. The housing assistance  
 10 payment contract between the owner and the  
 11 public housing agency may provide for penalties  
 12 for the late payment of amounts due under the  
 13 contract, which shall be imposed on the public  
 14 housing agency in accordance with generally ac-  
 15 cepted practices in the local housing market.

16 “(E) **PENALTIES.**—Unless otherwise au-  
 17 thorized by the Secretary, each public housing  
 18 agency shall pay any penalties from administra-  
 19 tive fees collected by the public housing agency.

20 “(12) **MANUFACTURED HOUSING.**—

21 “(A) **IN GENERAL.**—A public housing  
 22 agency may make assistance payments in ac-  
 23 cordance with this subsection on behalf of a  
 24 family that utilizes a manufactured home as its  
 25 principal place of residence. Such payments

1           may be made for the rental of the real property  
 2           on which the manufactured home owned by any  
 3           such family is located.

4           ~~“(B) RENT CALCULATION.—~~

5           ~~“(i) CHARGES INCLUDED.—For as-~~  
 6           ~~sistance pursuant to this paragraph, the~~  
 7           ~~rent for the space on which a manufac-~~  
 8           ~~tured home is located and with respect to~~  
 9           ~~which assistance payments are to be made~~  
 10          ~~shall include maintenance and manage-~~  
 11          ~~ment charges and tenant-paid utilities.~~

12          ~~“(ii) PAYMENT STANDARD.—The pub-~~  
 13          ~~lic housing agency shall establish a pay-~~  
 14          ~~ment standard for the purpose of deter-~~  
 15          ~~mining the monthly assistance that may be~~  
 16          ~~paid for any family under this paragraph.~~  
 17          ~~The payment standard may not exceed an~~  
 18          ~~amount approved or established by the~~  
 19          ~~Secretary.~~

20          ~~“(iii) MONTHLY ASSISTANCE PAY-~~  
 21          ~~MENT.—The monthly assistance payment~~  
 22          ~~under this paragraph shall be determined~~  
 23          ~~in accordance with paragraph (2).~~

24          ~~“(13) CONTRACT FOR ASSISTANCE PAY-~~  
 25          ~~MENTS.—~~

1           “(A) IN GENERAL.—If the Secretary en-  
2           ters into an annual contributions contract  
3           under this subsection with a public housing  
4           agency pursuant to which the public housing  
5           agency will enter into a housing assistance pay-  
6           ment contract with respect to an existing struc-  
7           ture under this subsection, the housing assist-  
8           ance payment contract may not be attached to  
9           the structure unless the owner agrees to reha-  
10          bilitate or newly construct the structure other  
11          than with assistance under this Act, and other-  
12          wise complies with the requirements of this sec-  
13          tion. The public housing agency may approve a  
14          housing assistance payment contract for such  
15          structures for not more than 15 percent of the  
16          funding available for tenant-based assistance  
17          administered by the public housing agency  
18          under this section.

19           “(B) EXTENSION OF CONTRACT TERM.—  
20          In the case of a housing assistance payment  
21          contract that applies to a structure under this  
22          paragraph, a public housing agency shall enter  
23          into a contract with the owner, contingent upon  
24          the future availability of appropriated funds for  
25          the purpose of renewing expiring contracts for

1 assistance payments, as provided in appropria-  
 2 tions Acts, to extend the term of the underlying  
 3 housing assistance payment contract for such  
 4 period as the Secretary determines to be appro-  
 5 priate to achieve long-term affordability of the  
 6 housing. The contract shall obligate the owner  
 7 to have such extensions of the underlying hous-  
 8 ing assistance payment contract accepted by the  
 9 owner and the owner's successors in interest.

10 “(C) RENT CALCULATION.—For project-  
 11 based assistance under this paragraph, housing  
 12 assistance payment contracts shall establish  
 13 rents and provide for rent adjustments in ac-  
 14 cordance with subsection (e).

15 “(14) INAPPLICABILITY TO TENANT-BASED AS-  
 16 SISTANCE.—Subsection (e) does not apply to tenant-  
 17 based assistance under this subsection.

18 “(15) HOMEOWNERSHIP OPTION.—A public  
 19 housing agency providing assistance under this sub-  
 20 section may, at the option of the agency, provide as-  
 21 sistance for homeownership under subsection (y).”.

22 **SEC. 202. REPEAL OF FEDERAL PREFERENCES.**

23 (a) SECTION 8 EXISTING AND MODERATE REHABILI-  
 24 TATION.—Section 8(d)(1)(A) of the United States Hous-



1 ing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)) is amended  
 2 to read as follows:

3           “(A) the selection of tenants shall be the  
 4           function of the owner, subject to the annual  
 5           contributions contract between the Secretary  
 6           and the agency, except that with respect to the  
 7           certificate and moderate rehabilitation pro-  
 8           grams only, for the purpose of selecting families  
 9           to be assisted, the public housing agency may  
 10          establish, after public notice and an opportunity  
 11          for public comment, a written system of pref-  
 12          erences for selection that are not inconsistent  
 13          with the comprehensive housing affordability  
 14          strategy under title I of the Cranston-Gonzalez  
 15          National Affordable Housing Act;”.

16          (b) SECTION 8 NEW CONSTRUCTION AND SUBSTAN-  
 17          TIAL REHABILITATION.—

18           (1) REPEAL.—Section 545(e) of the Cranston-  
 19          Gonzalez National Affordable Housing Act (42  
 20          U.S.C. 1437f note) is amended to read as follows:  
 21          “(e) [Reserved.]”.

22           (2) PROHIBITION.—Notwithstanding any other  
 23          provision of law, no Federal tenant selection pref-  
 24          erences shall apply with respect to—

(A) housing constructed or substantially rehabilitated pursuant to assistance provided under section 8(b)(2) of the United States Housing Act of 1937 (as such section existed on the day before October 1, 1983); or

(B) projects financed under section 202 of the Housing Act of 1959 (as such section existed on the day before the date of enactment of the Cranston-Gonzalez National Affordable Housing Act).

(c) RENT SUPPLEMENTS.—Section 101(k) of the Housing and Urban Development Act of 1965 (42 U.S.C. 1701s(k)) is amended to read as follows:

“(k) [Reserved.]”.

(d) CONFORMING AMENDMENTS.—

(1) UNITED STATES HOUSING ACT OF 1937.—

The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(A) in section 6(o), by striking “preference rules specified in” and inserting “written selection criteria established pursuant to”;

(B) in section 7(a)(2), by striking “according to the preferences for occupancy under” and inserting “in accordance with the written selection criteria established pursuant to”;

1           (C) in section 7(a)(3), by striking “who  
2           qualify for preferences for occupancy under”  
3           and inserting “who meet the written selection  
4           criteria established pursuant to”;

5           (D) in section 8(d)(2)(A), by striking the  
6           last sentence;

7           (E) in section 8(d)(2)(H), by striking  
8           “notwithstanding subsection (d)(1)(A)(i), an”  
9           and inserting “An”;

10          (F) in section 16(c), in the second sen-  
11          tence, by striking “the system of preferences es-  
12          tablished by the agency pursuant to section  
13          6(c)(4)(A)(ii)” and inserting “the written selec-  
14          tion criteria established by the public housing  
15          agency pursuant to section 6(c)(4)(A)”;

16          (G) in section 24(c)—

17               (i) by striking “(e) EXCEPTIONS.—”

18               and all that follows through “The Sec-  
19               retary may” and inserting the following:

20           “~~(e) EXCEPTION TO GENERAL PROGRAM REQUIRE-~~  
21           MENTS.—The Secretary may”; and

22               (ii) by striking paragraph (2).

23           ~~(2) CRANSTON-GONZALEZ NATIONAL AFFORD-~~  
24           ABLE HOUSING ACT.—The Cranston-Gonzalez Na-

1 tional Affordable Housing Act (42 U.S.C. 12704 et  
2 seq.) is amended—

3 (A) in section 455(a)(2)(D)(iii), by striking  
4 “would qualify for a preference under” and in-  
5 serting “meet the written selection criteria es-  
6 tablished pursuant to”;

7 (B) in section 522(f)(6)(B), by striking  
8 “any preferences for such assistance under sec-  
9 tion 8(d)(1)(A)(i)” and inserting “the written  
10 selection criteria established pursuant to section  
11 8(d)(1)(A)”;

12 (3) ~~LOW-INCOME HOUSING PRESERVATION AND~~  
13 ~~RESIDENT HOMEOWNERSHIP ACT OF 1990.~~—The sec-  
14 ond sentence of section 226(b)(6)(B) of the Low-In-  
15 come Housing Preservation and Resident Home-  
16 ownership Act of 1990 (12 U.S.C. 4116(b)(6)(B)) is  
17 amended by striking “requirement for giving pref-  
18 erences to certain categories of eligible families  
19 under” and inserting “written selection criteria es-  
20 tablished pursuant to”.

21 (4) ~~HOUSING AND COMMUNITY DEVELOPMENT~~  
22 ~~ACT OF 1992.~~—Section 655 of the Housing and Com-  
23 munity Development Act of 1992 (42 U.S.C. 13615)  
24 is amended by striking “preferences for occupancy”  
25 and all that follows before the period at the end and

1 inserting “selection criteria established by the owner  
 2 to elderly families according to such written selection  
 3 criteria, and to near-elderly families according to  
 4 such written selection criteria, respectively”.

5 (5) REFERENCES IN OTHER LAW.—Any ref-  
 6 erence in any Federal law other than any provision  
 7 of any law amended by paragraphs (1) through (5)  
 8 of this subsection or section 201 to the preferences  
 9 for assistance under section 6(e)(4)(A)(i),  
 10 8(d)(1)(A)(i), or 8(o)(3)(B) of the United States  
 11 Housing Act of 1937 (as such sections existed on  
 12 the day before the date of enactment of this Act)  
 13 shall be considered to refer to the written selection  
 14 criteria established pursuant to section 6(e)(4)(A),  
 15 8(d)(1)(A), or 8(o)(6)(A), respectively, of the United  
 16 States Housing Act of 1937, as amended by this  
 17 subsection and section 201 of this Act.

18 **SEC. 203. PORTABILITY.**

19 Section 8(r) of the United States Housing Act of  
 20 1937 (42 U.S.C. 1437f(r)) is amended—

21 (1) in paragraph (1), by striking “assisted  
 22 under subsection (b) or (o)” and inserting “receiving  
 23 tenant-based assistance under subsection (o)”;

24 (2) in paragraph (3)—

25 (A) by striking “(b) or”; and

(B) by adding at the end the following new sentence: “The Secretary may reserve amounts available for assistance under subsection (e) to compensate public housing agencies that issue vouchers to families that move into the jurisdiction of the public housing agency under portability procedures.”; and

(3) by adding at the end the following new paragraph:

“(5) LEASE VIOLATIONS.—A family may not receive a voucher from a public housing agency and move to another jurisdiction under the tenant-based assistance program if the family has moved out of the assisted dwelling unit of the family in violation of a lease.”.

**SEC. 204. LEASING TO VOUCHER HOLDERS.**

Section 8(t) of the United States Housing Act of 1937 (42 U.S.C. 1437f(t)) is amended to read as follows:

“(t) [Reserved.]”.

**SEC. 205. HOMEOWNERSHIP OPTION.**

Section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)) is amended—

(1) in paragraph (1)(A), by inserting before the semicolon “; or owns or is acquiring shares in a co-operative”;

(2) in paragraph (1)(B)(i), by inserting before the semicolon “and demonstrates to the public housing agency that it has sufficient resources for homeownership”;

(3) by amending paragraph (2) to read as follows:

“(2) DETERMINATION OF AMOUNT OF ASSISTANCE.—

“(A) MONTHLY EXPENSES DO NOT EXCEED PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, do not exceed the payment standard, the monthly assistance payment shall be the amount by which the homeownership expenses exceed the highest of the following amounts, rounded to the nearest dollar:

“(i) Thirty percent of the monthly adjusted income of the family.

“(ii) Ten percent of the monthly income of the family.

“(iii) If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the actual hous-

ing costs of the family, is specifically designated by such agency to meet the housing costs of the family, the portion of such payments that is so designated.

“(B) MONTHLY EXPENSES EXCEED PAYMENT STANDARD.—If the monthly homeowner-ship expenses, as determined in accordance with requirements established by the Secretary, exceed the payment standard, the monthly assistance payment shall be the amount by which the applicable payment standard exceeds the highest of the following amounts, rounded to the nearest dollar:

“(i) Thirty percent of the monthly adjusted income of the family.

“(ii) Ten percent of the monthly income of the family.

“(iii) If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by such agency to meet the housing costs of the family, the portion of such payments that is so designated.”;



1           (4) by striking paragraphs (3) and (4); and  
 2           (5) by redesignating paragraphs (5) through  
 3           (8) as paragraphs (3) through (6), respectively.

4   **SEC. 206. TECHNICAL AND CONFORMING AMENDMENTS.**

5           (a) **CONTRACT PROVISIONS AND REQUIREMENTS.**—  
 6   Section 6(p)(1)(B) of the United States Housing Act of  
 7   1937 (42 U.S.C. 1437d(p)(1)(B)) is amended by striking  
 8   “holding certificates and vouchers” and inserting “receiv-  
 9   ing tenant-based assistance”.

10          (b) **LOWER INCOME HOUSING ASSISTANCE.**—Section  
 11   8 of the United States Housing Act of 1937 (42 U.S.C.  
 12   1437f) is amended—

13           (1) in subsection (a), by striking the second and  
 14           third sentences;

15           (2) in subsection (b)—

16                   (A) in the section heading, by striking  
 17                   “RENTAL CERTIFICATES AND”; and

18                   (B) in the first undesignated paragraph—

19                           (i) by striking “The Secretary” and  
 20                           inserting the following:

21                           “(1) **IN GENERAL.**—The Secretary”; and

22                                   (ii) by striking the second sentence;

23                   (3) in subsection (c)—

24                           (A) in paragraph (3)—

25                                   (i) by striking “(A)”; and

1 (ii) by striking subparagraph (B);

2 (B) in the first sentence of paragraph (4),  
3 by striking “or by a family that qualifies to re-  
4 ceive” and all that follows through “1990”;

5 (C) by striking paragraph (5) and redesign-  
6 ating paragraph (6) as paragraph (5);

7 (D) by striking paragraph (7) and redesign-  
8 ating paragraphs (8) through (10) as para-  
9 graphs (6) through (8), respectively;

10 (E) in paragraph (6), as redesignated, by  
11 inserting “(other than a contract under section  
12 8(o))” after “section”;

13 (F) in paragraph (7), as redesignated, by  
14 striking “(but not less than 90 days in the case  
15 of housing certificates or vouchers under sub-  
16 section (b) or (c))” and inserting “, other than  
17 a contract for tenant-based assistance under  
18 this section”; and

19 (G) in paragraph (8), as redesignated, by  
20 striking “Secretary” and inserting “contract  
21 administrator”;

22 (4) in subsection (d)—

23 (A) in paragraph (1)(B)(iii), by striking  
24 “on or near such premises”; and

25 (B) in paragraph (2)—

1 (i) in subparagraph (A), by striking  
 2 the third sentence and all that follows  
 3 through the end of the subparagraph; and  
 4 (ii) by striking subparagraph (B) and  
 5 inserting the following:

6 “(B) [Reserved.]”;

7 (5) in subsection (f)—

8 (A) in paragraph (6), by striking “(d)(2)”  
 9 and inserting “(o)(11)”; and

10 (B) in paragraph (7)—

11 (i) by striking “(b) or”; and

12 (ii) by inserting before the period the  
 13 following: “and that provides for the eligi-  
 14 ble family to select suitable housing and to  
 15 move to other suitable housing”;

16 (6) by striking subsection (j) and inserting the  
 17 following:

18 “(j) [Reserved.]”;

19 (7) by striking subsection (n) and inserting the  
 20 following:

21 “(n) [Reserved.]”;

22 (8) in subsection (q)—

23 (A) in the first sentence of paragraph (1),  
 24 by striking “and housing voucher programs

1 under subsections (b) and (o)” and inserting  
 2 “program under this section”;

3 (B) in paragraph (2)(A)(i), by striking  
 4 “and housing voucher programs under sub-  
 5 sections (b) and (o)” and inserting “program  
 6 under this section”; and

7 (C) in paragraph (2)(B), by striking “and  
 8 housing voucher programs under subsections  
 9 (b) and (o)” and inserting “program under this  
 10 section”;

11 (9) in subsection (u), by striking “certificates  
 12 or” each place such term appears; and

13 (10) in subsection (x)(2), by striking “housing  
 14 certificate assistance” and inserting “tenant-based  
 15 assistance”.

16 (c) RENTAL REHABILITATION AND DEVELOPMENT  
 17 GRANTS.—Section 17(d)(6)(B) of the United States  
 18 Housing Act of 1937 (42 U.S.C. 1437o(d)(6)(B)) is  
 19 amended by striking “holding certificates under” and in-  
 20 serting “receiving tenant-based assistance”.

21 (d) PUBLIC HOUSING HOMEOWNERSHIP AND MAN-  
 22 AGEMENT OPPORTUNITIES.—Section 21(b)(3) of the  
 23 United States Housing Act of 1937 (42 U.S.C. 1437f(b))  
 24 is amended—

1           (1) in the first sentence, by striking “(at the  
2       option of the family) a certificate under section  
3       8(b)(1) or a housing voucher under section 8(o)”  
4       and inserting “tenant-based assistance under section  
5       8”; and

6           (2) by striking the second sentence.

7       (e) DOCUMENTATION OF EXCESSIVE RENT BUR-  
8       DENS.—Section 550(b) of the Cranston-Gonzalez National  
9       Affordable Housing Act (42 U.S.C. 1437f note) is amend-  
10      ed—

11           (1) in paragraph (1), by striking “assisted  
12       under the certificate and voucher programs estab-  
13       lished” and inserting “receiving tenant-based assist-  
14       ance”;

15           (2) in the first sentence of paragraph (2)—

16           (A) by striking “, for each of the certifi-  
17       cate program and the voucher program” and in-  
18       serting “for the tenant-based assistance under  
19       section 8”; and

20           (B) by striking “participating in the pro-  
21       gram” and inserting “receiving tenant-based as-  
22       sistance”; and

23           (3) in paragraph (3), by striking “assistance  
24       under the certificate or voucher program” and in-

1       serting “tenant-based assistance under section 8 of  
2       the United States Housing Act of 1937”.

3       (f) GRANTS FOR COMMUNITY RESIDENCES AND  
4 SERVICES.—Section 861(b)(1)(D) of the Cranston-Gon-  
5 zalez National Affordable Housing Act (42 U.S.C.  
6 12910(b)(1)(D)) is amended by striking “certificates or  
7 vouchers” and inserting “assistance”.

8       (g) SECTION 8 CERTIFICATES AND VOUCHERS.—Sec-  
9 tion 931 of the Cranston-Gonzalez National Affordable  
10 Housing Act (42 U.S.C. 1437e note) is amended by strik-  
11 ing “assistance under the certificate and voucher pro-  
12 grams under sections 8(b) and (o) of such Act” and insert-  
13 ing “tenant-based assistance under section 8 of the United  
14 States Housing Act of 1937”.

15       (h) ASSISTANCE FOR DISPLACED TENANTS.—Sec-  
16 tion 223(a) of the Housing and Community Development  
17 Act of 1987 (12 U.S.C. 4113(a)) is amended by striking  
18 “assistance under the certificate and voucher programs  
19 under sections 8(b) and 8(o)” and inserting “tenant-based  
20 assistance under section 8”.

21       (i) RURAL HOUSING PRESERVATION GRANTS.—Sec-  
22 tion 533(a) of the Housing Act of 1949 (42 U.S.C.  
23 1490m(a)) is amended in the second sentence by striking  
24 “assistance payments as provided by section 8(o)” and in-

1   serting “tenant-based assistance as provided under section  
2   8”.

3       (j) ~~REPEAL OF MOVING TO OPPORTUNITIES FOR~~  
4 ~~FAIR HOUSING DEMONSTRATION.~~—Section 152 of the  
5 Housing and Community Development Act of 1992 (42  
6 U.S.C. 1437f note) is repealed.

7       (k) ~~PREFERENCES FOR ELDERLY FAMILIES AND~~  
8 ~~PERSONS.~~—Section 655 of the Housing and Community  
9 Development Act of 1992 (42 U.S.C. 13615) is amended  
10 by striking “the first sentence of section 8(o)(3)(B)” and  
11 inserting “section 8(o)(6)(A)”.

12       (l) ~~ASSISTANCE FOR TROUBLED MULTIFAMILY~~  
13 ~~HOUSING PROJECTS.~~—Section 201(m)(2)(A) of the Hous-  
14 ing and Community Development Amendments of 1978  
15 (12 U.S.C. 1715z-1a(m)(2)(A)) is amended by striking  
16 “section 8(b)(1)” and inserting “section 8”.

17       (m) ~~MANAGEMENT AND DISPOSITION OF MULTIFAM-~~  
18 ~~ILY HOUSING PROJECTS.~~—Section 203(g)(2) of the Hous-  
19 ing and Community Development Amendments of 1978  
20 (12 U.S.C. 1701z-11(g)(2)), as amended by section  
21 101(b) of the Multifamily Housing Property Disposition  
22 Reform Act of 1994, is amended by striking “8(o)(3)(B)”  
23 and inserting “8(o)(6)(A)”.

1 **SEC. 207. IMPLEMENTATION.**

2 In accordance with the negotiated rulemaking proce-  
 3 dures set forth in subchapter III of chapter 5 of title 5,  
 4 United States Code, the Secretary shall issue such regula-  
 5 tions as may be necessary to implement the amendments  
 6 made by this title after notice and opportunity for public  
 7 comment.

8 **SEC. 208. EFFECTIVE DATE.**

9 (a) **IN GENERAL.**—The amendments made by this  
 10 title shall become effective not later than 1 year after the  
 11 date of enactment of this Act.

12 (b) **CONVERSION ASSISTANCE.**—

13 (1) **IN GENERAL.**—The Secretary may provide  
 14 for the conversion of assistance under the certificate  
 15 and voucher programs under subsections (b) and (c)  
 16 of section 8 of the United States Housing Act of  
 17 1937, as such sections existed before the effective  
 18 date of the amendments made by this title, to the  
 19 voucher program established by the amendments  
 20 made by this title.

21 (2) **CONTINUED APPLICABILITY.**—The Sec-  
 22 retary may apply the provisions of the United States  
 23 Housing Act of 1937, or any other provision of law  
 24 amended by this title, as such provisions existed on  
 25 the day before the effective date of the amendments  
 26 made by this title, to assistance obligated by the



Secretary before such effective date for the certificate or voucher program under section 8 of the United States Housing Act of 1937, if the Secretary determines that such action is necessary for simplification of program administration, avoidance of hardship, or other good cause.

## **TITLE III—MISCELLANEOUS PROVISIONS**

### **SEC. 301. PUBLIC HOUSING FLEXIBILITY IN THE CHAS.**

Section 105(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705(b)) is amended—

(1) by redesignating the second paragraph designated as paragraph (17) (as added by section 681(2) of the Housing and Community Development Act of 1992) as paragraph (20);

(2) by redesignating paragraph (17) (as added by section 220(b)(3) of the Housing and Community Development Act of 1992) as paragraph (19);

(3) by redesignating the second paragraph designated as paragraph (16) (as added by section 220(c)(1) of the Housing and Community Development Act of 1992) as paragraph (18);

(4) in paragraph (16)—

(A) by striking the period at the end; and

1                   (B) by striking “(16)” and inserting  
2                   “(17)”;

3                   (5) by redesignating paragraphs (11) through  
4                   (15) as paragraphs (12) through (16), respectively;  
5                   and—

6                   (6) by inserting after paragraph (10) the fol-  
7                   lowing new paragraph:

8                   “(11) describe how the jurisdiction’s plan will  
9                   help address the needs of public housing and coordi-  
10                  nate with the local public housing agency plan under  
11                  section 5A of the United States Housing Act of  
12                  1937;”.

13 **SEC. 302. PUBLIC HOUSING FLEXIBILITY IN THE HOME**  
14 **PROGRAM.**

15                  Section 212(d) of the Cranston-Gonzalez National  
16 Affordable Housing Act (42 U.S.C. 12742) is amended—

17                  (1) in paragraph (3), by adding “or” at the  
18                  end;

19                  (2) by striking paragraphs (4) and (5); and

20                  (3) by redesignating paragraph (6) as para-  
21                  graph (4).

22 **SEC. 303. REPEAL OF CERTAIN PROVISIONS.**

23                  (a) MAXIMUM ANNUAL LIMITATION ON RENT IN-  
24 CREASES RESULTING FROM EMPLOYMENT.—

1           (1) REPEAL.—Section 957 of the Cranston-  
 2           Gonzalez National Affordable Housing Act (42  
 3           U.S.C. 12714) is repealed.

4           (2) EFFECTIVE DATE.—The amendment made  
 5           by paragraph (1) shall be deemed to have the same  
 6           effective date as section 957 of the Cranston-Gon-  
 7           zalez National Affordable Housing Act.

8           (b) ECONOMIC INDEPENDENCE.—

9           (1) REPEAL.—Section 923 of the Housing and  
 10          Community Development Act of 1992 (42 U.S.C.  
 11          12714 note) is repealed.

12          (2) EFFECTIVE DATE.—The amendment made  
 13          by paragraph (1) shall be deemed to have the same  
 14          effective date as section 923 of the Housing and  
 15          Community Development Act of 1992.

16   **SEC. 304. DETERMINATION OF INCOME LIMITS.**

17          (a) IN GENERAL.—Section 3(b)(2) of the United  
 18          States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)) is  
 19          amended—

20               (1) in the fourth sentence—

21                       (A) by striking “County” and inserting  
 22                       “and Rockland Counties”; and

23                       (B) by inserting “each” before “such coun-  
 24                       ty”; and

1           ~~(2) in the fifth sentence, by striking “County”~~  
 2           each place such term appears and inserting “and

3           ~~Rockland Counties”.~~

4           ~~(b) REGULATIONS.—Not later than the expiration of~~  
 5           the 90-day period beginning on the date of the enactment  
 6           of this Act, the Secretary shall issue regulations imple-  
 7           menting the amendments made by subsection (a).

8           **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

9           (a) *SHORT TITLE.*—*This Act may be cited as the*  
 10          *“Public Housing Reform and Empowerment Act of 1995”.*

11          (b) *TABLE OF CONTENTS.*—*The table of contents for*  
 12          *this Act is as follows:*

- Sec. 1. Short title; table of contents.*
- Sec. 2. Findings and purposes.*
- Sec. 3. Definitions.*
- Sec. 4. Effective date.*
- Sec. 5. Proposed regulations; technical recommendations.*
- Sec. 6. Elimination of obsolete documents.*
- Sec. 7. Annual reports.*

**TITLE I—PUBLIC AND INDIAN HOUSING**

- Sec. 101. Declaration of policy.*
- Sec. 102. Membership on board of directors.*
- Sec. 103. Authority of public housing agencies.*
- Sec. 104. Definitions.*
- Sec. 105. Contributions for lower income housing projects.*
- Sec. 106. Public housing agency plan.*
- Sec. 107. Contract provisions and requirements.*
- Sec. 108. Expansion of powers.*
- Sec. 109. Public housing designated for the elderly and the disabled.*
- Sec. 110. Public housing capital and operating funds.*
- Sec. 111. Labor standards.*
- Sec. 112. Repeal of energy conservation; consortia and joint ventures.*
- Sec. 113. Repeal of modernization fund.*
- Sec. 114. Eligibility for public and assisted housing.*
- Sec. 115. Demolition and disposition of public housing.*
- Sec. 116. Repeal of family investment centers; voucher system for public housing.*
- Sec. 117. Repeal of family self-sufficiency; homeownership opportunities.*
- Sec. 118. Revitalizing severely distressed public housing.*
- Sec. 119. Mixed-income and mixed-ownership projects.*

- Sec. 120. Conversion of distressed public housing to tenant-based assistance.*  
*Sec. 121. Public housing mortgages and security interests.*  
*Sec. 122. Linking services to public housing residents.*  
*Sec. 123. Applicability to Indian housing.*

#### *TITLE II—SECTION 8 RENTAL ASSISTANCE*

- Sec. 201. Merger of the certificate and voucher programs.*  
*Sec. 202. Repeal of Federal preferences.*  
*Sec. 203. Portability.*  
*Sec. 204. Leasing to voucher holders.*  
*Sec. 205. Homeownership option.*  
*Sec. 206. Technical and conforming amendments.*  
*Sec. 207. Implementation.*  
*Sec. 208. Effective date.*

#### *TITLE III—MISCELLANEOUS PROVISIONS*

- Sec. 301. Public housing flexibility in the CHAS.*  
*Sec. 302. Repeal of certain provisions.*  
*Sec. 303. Determination of income limits.*  
*Sec. 304. Demolition of public housing.*

### **1    *SEC. 2. FINDINGS AND PURPOSES.***

2            *(a) FINDINGS.—The Congress finds that—*

3                    *(1) there exists throughout the Nation a need for*  
 4                    *decent, safe, and affordable housing;*

5                    *(2) the inventory of public housing units owned*  
 6                    *and operated by public housing agencies, an asset in*  
 7                    *which the Federal Government has invested approxi-*  
 8                    *mately \$90,000,000,000, has traditionally provided*  
 9                    *rental housing that is affordable to low-income per-*  
 10                    *sons;*

11                    *(3) despite serving this critical function, the pub-*  
 12                    *lic housing system is plagued by a series of problems,*  
 13                    *including the concentration of very poor people in*  
 14                    *very poor neighborhoods and disincentives for eco-*  
 15                    *nommic self-sufficiency;*

1           (4) *the Federal method of overseeing every aspect*  
2           *of public housing by detailed and complex statutes*  
3           *and regulations aggravates the problem and places ex-*  
4           *cessive administrative burdens on public housing*  
5           *agencies;*

6           (5) *the interests of low-income persons, and the*  
7           *public interest, will best be served by a reformed pub-*  
8           *lic housing program that—*

9                   (A) *consolidates many public housing pro-*  
10                  *grams into programs for the operation and cap-*  
11                  *ital needs of public housing;*

12                  (B) *streamlines program requirements;*

13                  (C) *vests in public housing agencies that*  
14                  *perform well the maximum feasible authority,*  
15                  *discretion, and control with appropriate ac-*  
16                  *countability to both public housing tenants and*  
17                  *localities; and*

18                  (D) *rewards employment and economic self-*  
19                  *sufficiency of public housing tenants;*

20           (6) *voucher and certificate programs under sec-*  
21           *tion 8 of the United States Housing Act of 1937 are*  
22           *successful for approximately 80 percent of applicants,*  
23           *and a consolidation of the voucher and certificate pro-*  
24           *grams into a single, market-driven program will as-*  
25           *sist in making section 8 tenant-based assistance more*

1       *successful in assisting low-income families in obtain-*  
 2       *ing affordable housing and will increase housing*  
 3       *choice for low-income families; and*

4               *(7) the needs of Indian families residing on In-*  
 5       *Indian reservations and other Indian areas will best be*  
 6       *served by providing programs specifically designed to*  
 7       *meet the needs of Indian communities while promot-*  
 8       *ing tribal self-governance and self-determination.*

9       **(b) PURPOSES.**—*The purposes of this Act are—*

10               *(1) to consolidate the various programs and ac-*  
 11       *tivities under the public housing programs adminis-*  
 12       *tered by the Secretary in a manner designed to reduce*  
 13       *Federal overregulation;*

14               *(2) to redirect the responsibility for a consoli-*  
 15       *dated program to States, Indian tribes, localities,*  
 16       *public housing agencies, and public housing tenants;*

17               *(3) to require Federal action to overcome prob-*  
 18       *lems of public housing agencies with severe manage-*  
 19       *ment deficiencies; and*

20               *(4) to consolidate and streamline tenant-based*  
 21       *assistance programs.*

22       **SEC. 3. DEFINITIONS.**

23       *For purposes of this Act, the following definitions shall*  
 24       *apply:*

1           (1) *PUBLIC HOUSING AGENCY.*—The term “pub-  
 2       lic housing agency” has the same meaning as in sec-  
 3       tion 3 of the United States Housing Act of 1937.

4           (2) *SECRETARY.*—The term “Secretary” means  
 5       the Secretary of Housing and Urban Development.

6       **SEC. 4. EFFECTIVE DATE.**

7       *Except as otherwise specifically provided in this Act*  
 8       *or the amendments made by this Act, this Act and the*  
 9       *amendments made by this Act shall become effective on the*  
 10      *date of enactment of this Act.*

11      **SEC. 5. PROPOSED REGULATIONS; TECHNICAL REC-**  
 12                                      **COMMENDATIONS.**

13      (a) *PROPOSED REGULATIONS.*—Not later than 9  
 14      months after the date of enactment of this Act, the Secretary  
 15      shall submit to the Congress proposed regulations that the  
 16      Secretary determines are necessary to carry out the United  
 17      States Housing Act of 1937, as amended by this Act.

18      (b) *TECHNICAL RECOMMENDATIONS.*—Not later than  
 19      9 months after the date of enactment of this Act, the Sec-  
 20      retary shall submit to the Committee on Banking, Housing,  
 21      and Urban Affairs of the Senate and the Committee on  
 22      Banking and Financial Services of the House of Represent-  
 23      atives, recommended technical and conforming legislative  
 24      changes necessary to carry out this Act and the amendments  
 25      made by this Act.



1 **SEC. 6. ELIMINATION OF OBSOLETE DOCUMENTS.**

2 *Effective 1 year after the date of enactment of this Act,*  
 3 *no rule, regulation, or order (including all handbooks, no-*  
 4 *tices, and related requirements) pertaining to public hous-*  
 5 *ing or section 8 tenant-based programs issued or promul-*  
 6 *gated under the United States Housing Act of 1937 before*  
 7 *the date of enactment of this Act may be enforced by the*  
 8 *Secretary.*

9 **SEC. 7. ANNUAL REPORTS.**

10 *Not later than 1 year after the date of enactment of*  
 11 *this Act, and annually thereafter, the Secretary shall submit*  
 12 *a report to the Congress on the impact of the amendments*  
 13 *made by this Act on—*

14 *(1) the demographics of public housing tenants*  
 15 *and families receiving tenant-based assistance under*  
 16 *the United States Housing Act of 1937; and*

17 *(2) the economic viability of public housing*  
 18 *agencies.*

19 **TITLE I—PUBLIC AND INDIAN**  
 20 **HOUSING**

21 **SEC. 101. DECLARATION OF POLICY.**

22 *Section 2 of the United States Housing Act of 1937*  
 23 *(42 U.S.C. 1437) is amended to read as follows:*

1 ***“SEC. 2. DECLARATION OF POLICY.***

2 *“It is the policy of the United States to promote the*  
 3 *general welfare of the Nation by employing the funds and*  
 4 *credit of the Nation, as provided in this title—*

5 *“(1) to assist States, Indian tribes, and political*  
 6 *subdivisions of States to remedy the unsafe housing*  
 7 *conditions and the acute shortage of decent and safe*  
 8 *dwellings for low-income families;*

9 *“(2) to assist States, Indian tribes, and political*  
 10 *subdivisions of States to address the shortage of hous-*  
 11 *ing affordable to low-income families; and*

12 *“(3) consistent with the objectives of this title, to*  
 13 *vest in public housing agencies that perform well, the*  
 14 *maximum amount of responsibility and flexibility in*  
 15 *program administration, with appropriate account-*  
 16 *ability to both public housing tenants and localities.”.*

17 ***SEC. 102. MEMBERSHIP ON BOARD OF DIRECTORS.***

18 *Title I of the United States Housing Act of 1937 (42*  
 19 *U.S.C. 1437 et seq.) is amended by adding at the end the*  
 20 *following new section:*

21 ***“SEC. 27. MEMBERSHIP ON BOARD OF DIRECTORS.***

22 *“(a) REQUIRED MEMBERSHIP.—Except as provided*  
 23 *in subsection (b), the membership of the board of directors*  
 24 *of each public housing agency shall contain not less than*  
 25 *1 member who is a resident of a public housing project oper-*  
 26 *ated by the public housing agency.*

1       “(b) *EXCEPTION.*—Subsection (a) shall not apply to  
 2   any public housing agency in any State that requires the  
 3   members of the board of directors of a public housing agency  
 4   to be salaried and to serve on a full-time basis.

5       “(c) *NONDISCRIMINATION.*—No person shall be prohib-  
 6   ited from serving on the board of directors or similar gov-  
 7   erning body of a public housing agency because of the resi-  
 8   dence of that person in a public housing project.”.

9   **SEC. 103. AUTHORITY OF PUBLIC HOUSING AGENCIES.**

10       (a) *AUTHORITY OF PUBLIC HOUSING AGENCIES.*—

11               (1) *IN GENERAL.*—Section 3(a)(2) of the United  
 12       States Housing Act of 1937 (42 U.S.C. 1437a(a)(2))  
 13       is amended to read as follows:

14               “(2) *AUTHORITY OF PUBLIC HOUSING AGEN-*  
 15       *CIES.*—Notwithstanding paragraph (1), a public  
 16       housing agency may adopt ceiling rents that reflect  
 17       the reasonable market value of the housing, but that  
 18       are not less than the actual monthly costs—

19                       “(i) to operate the housing of the pub-  
 20                       lic housing agency; and

21                       “(ii) to make a deposit to a replace-  
 22                       ment reserve (in the sole discretion of the  
 23                       public housing agency).

24               “(B) *MINIMUM RENT.*—Notwithstanding  
 25       paragraph (1), a public housing agency may

1        *provide that each family residing in a public*  
 2        *housing project or receiving tenant-based or*  
 3        *project-based assistance under section 8 shall pay*  
 4        *a minimum monthly rent in an amount not to*  
 5        *exceed \$25 per month.*

6                *“(C) POLICE OFFICERS.—*

7                    *“(i) IN GENERAL.—Notwithstanding*  
 8                    *any other provision of law, a public housing*  
 9                    *agency may, in accordance with the public*  
 10                   *housing agency plan, allow a police officer*  
 11                   *who is not otherwise eligible for residence in*  
 12                   *public housing to reside in a public housing*  
 13                   *unit. The number and location of units oc-*  
 14                   *cupied by police officers under this clause,*  
 15                   *and the terms and conditions of their ten-*  
 16                   *ancies, shall be determined by the public*  
 17                   *housing agency.*

18                   *“(ii) DEFINITION.—As used in this*  
 19                   *subparagraph, the term ‘police officer’*  
 20                   *means any person determined by a public*  
 21                   *housing agency to be, during the period of*  
 22                   *residence of that person in public housing,*  
 23                   *employed on a full-time basis as a duly li-*  
 24                   *censed professional police officer by a Fed-*  
 25                   *eral, State, tribal, or local government or by*

1           *any agency thereof (including a public*  
 2           *housing agency having an accredited police*  
 3           *force).*

4           “(D) *ENCOURAGEMENT OF SELF-SUFFI-*  
 5           *CIENCY.—Each public housing agency shall de-*  
 6           *velop a rental policy that encourages and re-*  
 7           *wards employment and economic self-suffi-*  
 8           *ciency.*”.

9           (2) *REGULATIONS.—*

10           (A) *IN GENERAL.—The Secretary shall, by*  
 11           *regulation, after notice and an opportunity for*  
 12           *public comment, establish such requirements as*  
 13           *may be necessary to carry out section 3(a)(2)(A)*  
 14           *of the United States Housing Act of 1937, as*  
 15           *amended by paragraph (1).*

16           (B) *TRANSITION RULE.—Prior to the issu-*  
 17           *ance of final regulations under paragraph (1), a*  
 18           *public housing agency may implement ceiling*  
 19           *rents, which shall be—*

20                   (i) *determined in accordance with sec-*  
 21                   *tion 3(a)(2)(A) of the United States Hous-*  
 22                   *ing Act of 1937, as that section existed on*  
 23                   *the day before the date of enactment of this*  
 24                   *Act;*

1                   (ii) equal to the 95th percentile of the  
 2                   rent paid for a unit of comparable size by  
 3                   tenants in the same public housing project  
 4                   or a group of comparable projects totaling  
 5                   50 units or more; or

6                   (iii) equal to the fair market rent for  
 7                   the area in which the unit is located.

8           (b) *NONTROUBLED PUBLIC HOUSING AGENCIES.*—  
 9   Section 3(a) of the United States Housing Act of 1937 (42  
 10 U.S.C. 1437(a)) is amended by adding at the end the follow-  
 11 ing new paragraph:

12                   “(3) *NONTROUBLED PUBLIC HOUSING AGEN-*  
 13                   *CIES.*—

14                   “(A) *IN GENERAL.*—Notwithstanding the  
 15                   rent calculation formula in paragraph (1), and  
 16                   subject to subparagraph (B), the Secretary shall  
 17                   permit a public housing agency, other than a  
 18                   public housing agency determined to be troubled  
 19                   pursuant to 6(j), to determine the amount that  
 20                   a family residing in public housing shall pay as  
 21                   rent.

22                   “(B) *LIMITATION.*—With respect to a fam-  
 23                   ily whose income is equal to or less than 50 per-  
 24                   cent of the median income for the area, as deter-  
 25                   mined by the Secretary with adjustments for

1        *smaller and larger families, a public housing*  
 2        *agency may not require a family to pay as rent*  
 3        *under subparagraph (A) an amount that exceeds*  
 4        *the greatest of—*

5                *“(i) 30 percent of the monthly adjusted*  
 6                *income of the family;*

7                *“(ii) 10 percent of the monthly income*  
 8                *of the family;*

9                *“(iii) if the family is receiving pay-*  
 10                *ments for welfare assistance from a public*  
 11                *agency and a part of those payments, ad-*  
 12                *justed in accordance with the actual hous-*  
 13                *ing costs of the family, is specifically des-*  
 14                *ignated by that public agency to meet the*  
 15                *housing costs of the family, the portion of*  
 16                *those payments that is so designated; and*

17                *“(iv) \$25.”.*

18    **SEC. 104. DEFINITIONS.**

19        *(a) DEFINITIONS.—*

20                *(1) SINGLE PERSONS.—Section 3(b)(3) of the*  
 21                *United States Housing Act of 1937 (42 U.S.C.*  
 22                *1437a(b)(3)) is amended—*

23                *(A) in subparagraph (A), in the third sen-*  
 24                *tence, by striking “the Secretary shall” and all*  
 25                *that follows before the period at the end and in-*

serting the following: “the public housing agency may give preference to single persons who are elderly or disabled persons before single persons who are otherwise eligible”; and

(B) in subparagraph (B), in the second sentence, by striking “regulations of the Secretary” and inserting “public housing agency plan”.

(2) *ADJUSTED INCOME*.—Section 3(b)(5) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5)) is amended to read as follows:

“(5) *ADJUSTED INCOME*.—The term ‘adjusted income’ means the income that remains after excluding—

“(A) \$480 for each member of the family residing in the household (other than the head of the household or the spouse of the head of the household)—

“(i) who is under 18 years of age; or

“(ii) who is—

“(I) 18 years of age or older; and

“(II) a person with disabilities or a full-time student;

“(B) \$400 for an elderly or disabled family;

“(C) the amount by which the aggregate of—



1                   “(i) medical expenses for an elderly or  
2                   disabled family; and

3                   “(ii) reasonable attendant care and  
4                   auxiliary apparatus expenses for each fam-  
5                   ily member who is a person with disabil-  
6                   ities, to the extent necessary to enable any  
7                   member of the family (including a member  
8                   who is a person with disabilities) to be em-  
9                   ployed;  
10                  exceeds 3 percent of the annual income of the  
11                  family;

12                  “(D) child care expenses, to the extent nec-  
13                  essary to enable another member of the family to  
14                  be employed or to further his or her education;

15                  “(E) with respect to a family assisted by an  
16                  Indian housing authority only, excessive travel  
17                  expenses, not to exceed \$25 per family per week,  
18                  for employment- or education-related travel; and

19                  “(F) any other income that the public hous-  
20                  ing agency determines to be appropriate, as pro-  
21                  vided in the public housing agency plan.”.

22                  (3) INDIAN HOUSING AUTHORITY; INDIAN  
23                  TRIBE.—

24                  (A) IN GENERAL.—Section 3(b) of the  
25                  United States Housing Act of 1937 (42 U.S.C.

1           1437a(b)) is amended by striking paragraphs  
2           (11) and (12) and inserting the following:

3           “(11) INDIAN HOUSING AUTHORITY.—The term  
4           ‘Indian housing authority’ means any entity that—

5                   “(A) is authorized to engage or assist in the  
6                   development or operation of low-income housing  
7                   for Indians; and

8                   “(B) is established—

9                           “(i) by exercise of the power of self-gov-  
10                          ernment of an Indian tribe, independent of  
11                          State law; or

12                           “(ii) by operation of State law author-  
13                          izing or enabling an Indian tribe to create  
14                          housing authorities for Indians, including  
15                          regional housing authorities in the State of  
16                          Alaska.

17           “(12) INDIAN TRIBE.—The term ‘Indian tribe’  
18           means the governing body of any Indian or Alaska  
19           Native tribe, band, nation, pueblo, village, or commu-  
20           nity that the Secretary of the Interior acknowledges to  
21           exist as an Indian Tribe, pursuant to the Federally  
22           Recognized Indian Tribe List Act of 1994.”.

23           (B) APPLICABILITY.—The amendment made  
24           by subparagraph (A) does not affect the exist-  
25           ence, or the ability to operate, of any Indian

1        *housing authority established before the date of*  
 2        *enactment of this Act by any State recognized*  
 3        *tribe, band, pueblo, group, community, or nation*  
 4        *of Indians or Alaska Natives that does not qual-*  
 5        *ify as an Indian tribe under section 3(b) of the*  
 6        *United States Housing Act of 1937, as amended*  
 7        *by this paragraph.*

8        *(b) DISALLOWANCE OF EARNED INCOME FROM PUBLIC*  
 9        *HOUSING RENT DETERMINATIONS.—*

10        *(1) IN GENERAL.—Section 3 of the United States*  
 11        *Housing Act of 1937 (42 U.S.C. 1437a) is amended—*

12                *(A) by striking the undesignated paragraph*  
 13                *at the end of subsection (c)(3) (as added by sec-*  
 14                *tion 515(b) of Public Law 101–625); and*

15                *(B) by adding at the end the following new*  
 16                *subsection:*

17        *“(d) DISALLOWANCE OF EARNED INCOME FROM PUB-*  
 18        *LIC HOUSING RENT DETERMINATIONS.—*

19                *“(1) IN GENERAL.—Notwithstanding any other*  
 20                *provision of law, the rent payable under subsection*  
 21                *(a) by a family—*

22                        *“(A) that—*

23                                *“(i) occupies a unit in a public hous-*  
 24                                *ing project; or*

1                   “(ii) receives assistance under section  
2                   8; and

3                   “(B) whose income increases as a result of  
4                   employment of a member of the family who was  
5                   previously unemployed for 1 or more years (in-  
6                   cluding a family whose income increases as a re-  
7                   sult of the participation of a family member in  
8                   any family self-sufficiency or other job training  
9                   program);  
10                  may not be increased as a result of the increased in-  
11                  come due to such employment during the 18-month  
12                  period beginning on the date on which the employ-  
13                  ment is commenced.

14                  “(2) *PHASE-IN OF RATE INCREASES.*—After the  
15                  expiration of the 18-month period referred to in para-  
16                  graph (1), rent increases due to the continued employ-  
17                  ment of the family member described in paragraph  
18                  (1)(B) shall be phased in over a subsequent 3-year pe-  
19                  riod.

20                  “(3) *OVERALL LIMITATION.*—Rent payable under  
21                  subsection (a) shall not exceed the amount determined  
22                  under subsection (a).”.

23                  (2) *APPLICABILITY OF AMENDMENT.*—

24                         (A) *PUBLIC HOUSING.*—Notwithstanding  
25                         the amendment made by paragraph (1), any ten-

1        *ant of public housing participating in the pro-*  
 2        *gram under the authority contained in the un-*  
 3        *designated paragraph at the end of section*  
 4        *3(c)(3) of the United States Housing Act of*  
 5        *1937, as that paragraph existed on the day be-*  
 6        *fore the date of enactment this Act, shall be gov-*  
 7        *erned by that authority after that date.*

8                *(B) SECTION 8.—The amendment made by*  
 9        *paragraph (1) shall apply to tenant-based assist-*  
 10        *ance provided under section 8 of the United*  
 11        *States Housing Act of 1937, with funds appro-*  
 12        *priated on or after October 1, 1996.*

13        *(c) DEFINITIONS OF TERMS USED IN REFERENCE TO*  
 14        *PUBLIC HOUSING.—*

15                *(1) IN GENERAL.—Section 3(c) of the United*  
 16        *States Housing Act of 1937 (42 U.S.C. 1437a(c)) is*  
 17        *amended—*

18                *(A) in paragraph (1), by inserting “and of*  
 19        *the fees and related costs normally involved in*  
 20        *obtaining non-Federal financing and tax credits*  
 21        *with or without private and nonprofit partners”*  
 22        *after “carrying charges”; and*

23                *(B) in paragraph (2), in the first sentence,*  
 24        *by striking “security personnel),” and all that*  
 25        *follows through the period and inserting the fol-*

1           lowing: “security personnel), service coordina-  
 2           tors, drug elimination activities, or financing in  
 3           connection with a public housing project, includ-  
 4           ing projects developed with non-Federal financ-  
 5           ing and tax credits, with or without private and  
 6           nonprofit partners.”.

7           (2) *TECHNICAL CORRECTION.*—Section 622(c) of  
 8           the *Housing and Community Development Act of*  
 9           1992 (Public Law 102–550; 106 Stat. 3817) is  
 10          amended by striking “‘project.’” and inserting  
 11          “‘paragraph (3)’”.

12          (3) *NEW DEFINITIONS.*—Section 3(c) of the  
 13          *United States Housing Act of 1937* (42 U.S.C.  
 14          1437a(c)) is amended by adding at the end the follow-  
 15          ing new paragraphs:

16          “(6) *PUBLIC HOUSING AGENCY PLAN.*—The term  
 17          ‘public housing agency plan’ means the plan of the  
 18          public housing agency prepared in accordance with  
 19          section 5A.

20          “(7) *DISABLED HOUSING.*—The term ‘disabled  
 21          housing’ means any public housing project, building,  
 22          or portion of a project or building, that is designated  
 23          by a public housing agency for occupancy exclusively  
 24          by disabled persons or families.

1           “(8) *ELDERLY HOUSING*.—The term ‘elderly  
2           housing’ means any public housing project, building,  
3           or portion of a project or building, that is designated  
4           by a public housing agency exclusively for occupancy  
5           exclusively by elderly persons or families, including  
6           elderly disabled persons or families.

7           “(9) *MIXED-INCOME PROJECT*.—The term  
8           ‘mixed-income project’ means a public housing project  
9           that meets the requirements of section 28.

10          “(10) *CAPITAL FUND*.—The term ‘Capital Fund’  
11          means the fund established under section 9(c).

12          “(11) *OPERATING FUND*.—The term ‘Operating  
13          Fund’ means the fund established under section  
14          9(d).”.

15   **SEC. 105. CONTRIBUTIONS FOR LOWER INCOME HOUSING**  
16                           **PROJECTS.**

17          (a) *IN GENERAL*.—Section 5 of the United States  
18          Housing Act of 1937 (42 U.S.C. 1437c) is amended by strik-  
19          ing subsections (h) through (l).

20          (b) *CONFORMING AMENDMENTS*.—The United States  
21          Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

22                  (1) in section 21(d), by striking “section 5(h)  
23                  or”;

24                  (2) in section 25(l)(1), by striking “and for sale  
25                  under section 5(h)”;

1           (3) in section 307, by striking “section 5(h)  
2       and”.

3   **SEC. 106. PUBLIC HOUSING AGENCY PLAN.**

4       (a) *IN GENERAL.*—Title I of the United States Hous-  
5   ing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by  
6   inserting after section 5 the following new section:

7   **“SEC. 5A. PUBLIC HOUSING AGENCY PLAN.**

8       “(a) *IN GENERAL.*—

9           “(1) *SUBMISSION.*—Each public housing agency  
10   shall submit to the Secretary a written public housing  
11   agency plan developed in accordance with this sec-  
12   tion.

13          “(2) *CONSISTENCY REQUIREMENT.*—Each public  
14   housing agency plan submitted to the Secretary under  
15   paragraph (1) shall be—

16           “(A) made in consultation with the local  
17   advisory board established under subsection (c);

18           “(B) consistent with the comprehensive  
19   housing affordability strategy for the jurisdiction  
20   in which the public housing agency is located, as  
21   provided under title I of the Cranston-Gonzalez  
22   National Affordable Housing Act, or, with re-  
23   spect to any Indian tribe, a comprehensive plan  
24   developed by the Indian tribe, if applicable; and



1           “(C) accompanied by a certification by an  
 2           appropriate State, tribal, or local public official  
 3           that the plan meets the requirements of subpara-  
 4           graph (B).

5           “(b) CONTENTS.—Each public housing agency plan  
 6 shall contain, at a minimum, the following:

7           “(1) CERTIFICATION.—

8           “(A) IN GENERAL.—With respect to a pub-  
 9           lic housing agency that has not received assist-  
 10          ance under this title as of the date on which the  
 11          public housing agency plan of that public hous-  
 12          ing agency is submitted, or a public housing  
 13          agency that is subject to amended authority, a  
 14          written certification that the public housing  
 15          agency is a governmental entity or public body  
 16          (or an agency or instrumentality thereof) that is  
 17          authorized to engage or assist in the development  
 18          or operation of low-income housing under this  
 19          title.

20          “(B) IDENTIFICATION OF CERTAIN REF-  
 21          ERENCES.—Subject to subparagraph (A), any  
 22          reference in any provision of law of the jurisdic-  
 23          tion authorizing the creation of the public hous-  
 24          ing agency shall be identified and any legislative

1        *declaration of purpose in regard thereto shall be*  
 2        *set forth in the certification with full text.*

3        “(2) *STATEMENT OF POLICY.—An annual state-*  
 4        *ment of policy identifying the primary goals and ob-*  
 5        *jectives of the public housing agency for the year for*  
 6        *which the statement is submitted, together with any*  
 7        *major developments, projects, or programs, including*  
 8        *all proposed costs and activities carried out with the*  
 9        *use of Capital Fund and Operating Fund distribu-*  
 10       *tions made available to the public housing agency*  
 11       *under section 9.*

12       “(3) *STATEMENT OF NEEDS.—An annual state-*  
 13       *ment of the housing needs of low-income families re-*  
 14       *siding in the community, and of other low-income*  
 15       *families on the waiting list of the public housing*  
 16       *agency (including the housing needs of elderly fami-*  
 17       *lies and disabled families), and the means by which*  
 18       *the public housing agency intends, to the maximum*  
 19       *extent practicable, to address those needs.*

20       “(4) *GENERAL POLICIES, RULES, AND REGULA-*  
 21       *TIONS.—The policies, rules, and regulations of the*  
 22       *public housing agency regarding—*

23                “(A) *the requirements for the selection and*  
 24                *admission of eligible families into the program*

1       *or programs of the public housing agency, in-*  
2       *cluding—*

3               *“(i) tenant screening policies;*

4               *“(ii) any preferences or priorities for*  
5       *selection and admission;*

6               *“(iii) annual income verification pro-*  
7       *cedures; and*

8               *“(iv) requirements relating to the ad-*  
9       *ministration of any waiting lists of the*  
10       *public housing agency;*

11              *“(B) the procedure for assignment of fami-*  
12       *lies admitted into the program to dwelling units*  
13       *owned, leased, managed, or assisted by the public*  
14       *housing agency;*

15              *“(C) the requirements for occupancy of*  
16       *dwelling units, including all standard lease pro-*  
17       *visions, and conditions for continued occupancy,*  
18       *termination, and eviction;*

19              *“(D) procedures for establishing rents, in-*  
20       *cluding ceiling rents and adjustments to income;*  
21       *and*

22              *“(E) procedures for designating certain*  
23       *public housing projects, or portions of projects,*  
24       *for occupancy by elderly families, disabled fami-*  
25       *lies, or by elderly and disabled families.*

1           “(5) *OPERATION AND MANAGEMENT.*—*The poli-*  
2           *cies, rules, and regulations relating to the manage-*  
3           *ment of the public housing agency, and the public*  
4           *housing projects and programs of the public housing*  
5           *agency, including—*

6                   “(A) *a description of the manner in which*  
7                   *the public housing agency is organized (includ-*  
8                   *ing any consortia or joint ventures) and staffed*  
9                   *to perform the duties and functions of the public*  
10                  *housing agency and to administer the Operating*  
11                  *Fund distributions of the public housing agency;*

12                  “(B) *policies relating to the rental of dwell-*  
13                  *ing units owned or operated by the public hous-*  
14                  *ing agency, including policies designed to reduce*  
15                  *vacancies;*

16                  “(C) *policies relating to providing a safe*  
17                  *and secure environment in public housing units,*  
18                  *including anticrime and antidrug activities;*

19                  “(D) *policies relating to the management*  
20                  *and operation, or participation in mixed-income*  
21                  *projects, if applicable;*

22                  “(E) *policies relating to services and amen-*  
23                  *ities provided or offered to assisted families, in-*  
24                  *cluding the provision of service coordinators and*

1        *services designed for certain populations, such as*  
2        *the elderly and disabled;*

3                *“(F) procedures for implementing the work*  
4        *requirements of section 12(c);*

5                *“(G) procedures for identifying manage-*  
6        *ment weaknesses;*

7                *“(H) objectives for improving management*  
8        *practices;*

9                *“(I) a description of management initia-*  
10        *tives to control the costs of operating the public*  
11        *housing agency;*

12                *“(J) a plan for preventative maintenance*  
13        *and a plan for routine maintenance;*

14                *“(K) policies relating to any plans for con-*  
15        *verting public housing to a system of tenant-*  
16        *based assistance; and*

17                *“(L) policies relating to the operation of*  
18        *any homeownership programs.*

19                *“(6) CAPITAL FUND REQUIREMENTS.—The poli-*  
20        *cies, rules, and regulations relating to the manage-*  
21        *ment and administration of the Capital Fund dis-*  
22        *tributions of the public housing agency, including—*

23                *“(A) the capital needs of the public housing*  
24        *agency;*

1           “(B) plans for capital expenditures related  
2           to providing a safe and secure environment in  
3           public housing units, including anticrime and  
4           antidrug activities;

5           “(C) policies relating to providing a safe  
6           and secure environment in public housing units,  
7           including anticrime and antidrug activities;

8           “(D) policies relating to the capital require-  
9           ments of mixed-income projects, if applicable;

10          “(E) an annual plan and, if appropriate, a  
11          5-year plan of the public housing agency for the  
12          capital needs of the existing dwelling units of the  
13          public housing agency, each of which shall in-  
14          clude a general statement identifying the long-  
15          term viability and physical condition of each of  
16          the public housing projects and other property of  
17          the public housing agency, including cost esti-  
18          mates;

19          “(F) a plan to handle emergencies and other  
20          disasters;

21          “(G) the use of funds for new or additional  
22          units, including capital contributions to mixed-  
23          income projects, if applicable;

24          “(H) any plans for the sale of existing  
25          dwelling units to low-income residents or organi-

1           *zations acting as conduits for sales to such resi-*  
 2           *dents under a homeownership plan;*

3           “(I) *any plans for converting public hous-*  
 4           *ing units to a system of tenant-based assistance;*  
 5           *and*

6           “(J) *any plans for demolition and disposi-*  
 7           *tion of public housing units, including any plans*  
 8           *for replacement units and any plans providing*  
 9           *for the relocation of residents who will be dis-*  
 10          *placed by a demolition or disposition of units.*

11          “(7) *ECONOMIC AND SOCIAL SELF-SUFFICIENCY*  
 12          *PROGRAMS.—A description of any policies, programs,*  
 13          *plans, and activities of the public housing agency for*  
 14          *the enhancement of the economic and social self-suffi-*  
 15          *ciency of residents assisted by the programs of the*  
 16          *public housing agency.*

17          “(8) *ANNUAL AUDIT.—The results of an annual*  
 18          *audit (including any audit of management practices,*  
 19          *as required by the Secretary) of the public housing*  
 20          *agency, which shall be conducted by an independent*  
 21          *certified public accounting firm pursuant to generally*  
 22          *accepted accounting principles.*

23          “(c) *LOCAL ADVISORY BOARD.—*

24          “(1) *IN GENERAL.—Except as provided in para-*  
 25          *graph (5), each public housing agency shall establish*

1     *one or more local advisory boards in accordance with*  
2     *this subsection, the membership of which shall ade-*  
3     *quately reflect and represent all of the residents of the*  
4     *dwelling units owned, operated, or assisted by the*  
5     *public housing agency.*

6             “(2) *MEMBERSHIP.*—*Each local advisory board*  
7     *established under this subsection shall be composed of*  
8     *the following members:*

9             “(A) *TENANTS.*—*Not less than 60 percent of*  
10     *the members of the board shall be tenants of*  
11     *dwelling units owned, operated, or assisted by*  
12     *the public housing agency, including representa-*  
13     *tives of any resident organizations.*

14            “(B) *OTHER MEMBERS.*—*The members of*  
15     *the board, other than the members described in*  
16     *subparagraph (A), shall include—*

17               “(i) *representatives of the community*  
18     *in which the public housing agency is lo-*  
19     *cated; and*

20               “(ii) *local government officials of the*  
21     *community in which the public housing*  
22     *agency is located.*

23            “(3) *PURPOSE.*—*Each local advisory board es-*  
24     *tablished under this subsection shall assist and make*  
25     *recommendations regarding the development of the*



1     *public housing agency plan. The public housing agen-*  
 2     *cy shall consider the recommendations of the local ad-*  
 3     *visory board in preparing the final public housing*  
 4     *agency plan, and shall include a copy of those rec-*  
 5     *ommendations in the public housing agency plan sub-*  
 6     *mitted to the Secretary under this section.*

7             “(4) *INAPPLICABILITY TO INDIAN HOUSING.—*  
 8     *This subsection does not apply to an Indian housing*  
 9     *authority.*

10            “(5) *WAIVER.—The Secretary may waive the re-*  
 11     *quirements of this subsection with respect to tenant*  
 12     *representation on the local advisory board of a public*  
 13     *housing agency, if the public housing agency dem-*  
 14     *onstrates to the satisfaction of the Secretary that a*  
 15     *resident council or other tenant organization of the*  
 16     *public housing agency adequately represents the inter-*  
 17     *ests of the tenants of the public housing agency.*

18            “(d) *PUBLICATION OF NOTICE.—*

19            “(1) *IN GENERAL.—Not later than 45 days be-*  
 20     *fore the date of a hearing conducted under paragraph*  
 21     *(2) by the governing body of a public housing agency,*  
 22     *the public housing agency shall publish a notice in-*  
 23     *forming the public that—*

24            “(A) *the proposed public housing agency*  
 25     *plan is available for inspection at the principal*

1           *office of the public housing agency during nor-*  
 2           *mal business hours; and*

3           “(B) *a public hearing will be conducted to*  
 4           *discuss the public housing agency plan and to*  
 5           *invite public comment regarding that plan.*

6           “(2) *PUBLIC HEARING.—Each public housing*  
 7           *agency shall, at a location that is convenient to resi-*  
 8           *dents, conduct a public hearing, as provided in the*  
 9           *notice published under paragraph (1).*

10          “(3) *ADOPTION OF PLAN.—After conducting the*  
 11          *public hearing under paragraph (2), and after con-*  
 12          *sidering all public comments received and, in con-*  
 13          *sultation with the local advisory board, making any*  
 14          *appropriate changes in the public housing agency*  
 15          *plan, the public housing agency shall—*

16                 “(A) *adopt the public housing agency plan;*  
 17                 *and*

18                 “(B) *submit the plan to the Secretary in ac-*  
 19                 *cordance with this section.*

20          “(e) *COORDINATED PROCEDURES.—Each public hous-*  
 21          *ing agency (other than an Indian housing authority) shall,*  
 22          *in conjunction with the State or relevant unit of general*  
 23          *local government, establish procedures to ensure that the*  
 24          *public housing agency plan required by this section is con-*  
 25          *sistent with the applicable comprehensive housing afford-*

1 *ability strategy for the jurisdiction in which the public*  
 2 *housing agency is located, in accordance with title I of the*  
 3 *Cranston-Gonzalez National Affordable Housing Act.*

4 “(f) *AMENDMENTS AND MODIFICATIONS TO PLANS.*—

5 “(1) *IN GENERAL.*—*Except as provided in para-*  
 6 *graph (2), nothing in this section shall preclude a*  
 7 *public housing agency, after submitting a plan to the*  
 8 *Secretary in accordance with this section, from*  
 9 *amending or modifying any policy, rule, regulation,*  
 10 *or plan of the public housing agency, except that no*  
 11 *such significant amendment or modification may be*  
 12 *adopted or implemented—*

13 “(A) *other than at a duly called meeting of*  
 14 *commissioners (or other comparable governing*  
 15 *body) of the public housing agency that is open*  
 16 *to the public; and*

17 “(B) *until notification of the amendment or*  
 18 *modification is provided to the Secretary and*  
 19 *approved in accordance with subsection (g)(2).*

20 “(2) *CONSISTENCY.*—*Each significant amend-*  
 21 *ment or modification to a public housing agency plan*  
 22 *submitted to the Secretary under this section shall—*

23 “(A) *meet the consistency requirement of*  
 24 *subsection (a)(2);*

1           “(B) be subject to the notice and public  
2           hearing requirements of subsection (d); and

3           “(C) be subject to approval by the Secretary  
4           in accordance with subsection (g)(2).

5           “(g) *TIMING OF PLANS.*—

6           “(1) *IN GENERAL.*—

7           “(A) *INITIAL SUBMISSION.*—Each public  
8           housing agency shall submit the initial plan re-  
9           quired by this section, and any amendment or  
10          modification to the initial plan, to the Secretary  
11          at such time and in such form as the Secretary  
12          shall require.

13          “(B) *ANNUAL SUBMISSION.*—Not later than  
14          60 days prior to the start of the fiscal year of  
15          the public housing agency, after initial submis-  
16          sion of the plan required by this section in ac-  
17          cordance with subparagraph (A), each public  
18          housing agency shall annually submit to the Sec-  
19          retary a plan update, including any amend-  
20          ments or modifications to the public housing  
21          agency plan.

22          “(2) *REVIEW AND APPROVAL.*—

23          “(A) *REVIEW.*—After submission of the pub-  
24          lic housing agency plan or any amendment or  
25          modification to the plan to the Secretary, to the

1       *extent that the Secretary considers such action to*  
 2       *be necessary to make determinations under this*  
 3       *subparagraph, the Secretary shall review the*  
 4       *public housing agency plan (including any*  
 5       *amendments or modifications thereto) to deter-*  
 6       *mine whether the contents of the plan—*

7               *“(i) set forth the information required*  
 8               *by this section to be contained in a public*  
 9               *housing agency plan;*

10              *“(ii) are consistent with information*  
 11              *and data available to the Secretary; and*

12              *“(iii) are prohibited by or inconsistent*  
 13              *with any provision of this title or other ap-*  
 14              *plicable law.*

15              *“(B) APPROVAL.—*

16              *“(i) IN GENERAL.—Except as provided*  
 17              *in paragraph (3)(B), not later than 60 days*  
 18              *after the date on which a public housing*  
 19              *agency plan is submitted in accordance*  
 20              *with this section, the Secretary shall pro-*  
 21              *vide written notice to the public housing*  
 22              *agency if the plan has been disapproved,*  
 23              *stating with specificity the reasons for the*  
 24              *disapproval.*

1                   “(ii) *FAILURE TO PROVIDE NOTICE OF*  
 2                   *DISAPPROVAL.—If the Secretary does not*  
 3                   *provide notice of disapproval under clause*  
 4                   *(i) before the expiration of the 60-day pe-*  
 5                   *riod described in clause (i), the public hous-*  
 6                   *ing agency plan shall be deemed to be ap-*  
 7                   *proved by the Secretary.*

8                   “(3) *SECRETARIAL DISCRETION.—*

9                   “(A) *IN GENERAL.—The Secretary may re-*  
 10                  *quire such additional information as the Sec-*  
 11                  *retary determines to be appropriate for each*  
 12                  *public housing agency that is—*

13                   “(i) *at risk of being designated as trou-*  
 14                   *bled under section 6(j); or*

15                   “(ii) *designated as troubled under sec-*  
 16                   *tion 6(j).*

17                   “(B) *TROUBLED AGENCIES.—The Secretary*  
 18                  *shall provide explicit written approval or dis-*  
 19                  *approval, in a timely manner, for a public hous-*  
 20                  *ing agency plan submitted by any public hous-*  
 21                  *ing agency designated by the Secretary as a*  
 22                  *troubled public housing agency under section*  
 23                  *6(j).*

1           “(4) *STREAMLINED PLAN.*—*In carrying out this*  
 2           *section, the Secretary may establish a streamlined*  
 3           *public housing agency plan for—*

4                     “(A) *public housing agencies that are deter-*  
 5                     *mined by the Secretary to be high performing*  
 6                     *public housing agencies; and*

7                     “(B) *public housing agencies with less than*  
 8                     *250 public housing units that have not been des-*  
 9                     *ignated as troubled under section 6(j).”.*

10          (b) *IMPLEMENTATION.*—

11                 (1) *INTERIM RULE.*—*Not later than 120 days*  
 12                 *after the date of enactment of this Act, the Secretary*  
 13                 *shall issue an interim rule to require the submission*  
 14                 *of an interim public housing agency plan by each*  
 15                 *public housing agency, as required by section 5A of*  
 16                 *the United States Housing Act of 1937 (as added by*  
 17                 *subsection (a) of this section).*

18                 (2) *FINAL REGULATIONS.*—*Not later than 1 year*  
 19                 *after the date of enactment of this Act, in accordance*  
 20                 *with the negotiated rulemaking procedures set forth in*  
 21                 *subchapter III of chapter 5 of title 5, United States*  
 22                 *Code, the Secretary shall promulgate final regulations*  
 23                 *implementing section 5A of the United States Hous-*  
 24                 *ing Act of 1937, as added by subsection (a) of this*  
 25                 *section.*

1           (3) *INDIAN HOUSING AUTHORITIES.*—*In carry-*  
 2           *ing out this subsection, the Secretary may implement*  
 3           *separate rules and regulations for the Indian housing*  
 4           *program.*

5           (c) *AUDIT AND REVIEW; REPORT.*—

6           (1) *AUDIT AND REVIEW.*—*Not later than 1 year*  
 7           *after the effective date of final regulations promul-*  
 8           *gated under subsection (b)(2), in order to determine*  
 9           *the degree of compliance with public housing agency*  
 10          *plans approved under section 5A of the United States*  
 11          *Housing Act of 1937, as added by this section, by*  
 12          *public housing agencies, the Comptroller General of*  
 13          *the United States shall conduct—*

14                   (A) *a review of a representative sample of*  
 15                   *the public housing agency plans approved under*  
 16                   *such section 5A before that date; and*

17                   (B) *an audit and review of the public hous-*  
 18                   *ing agencies submitting those plans.*

19          (2) *REPORT.*—*Not later than 2 years after the*  
 20          *date on which public housing agency plans are ini-*  
 21          *tially required to be submitted under section 5A of the*  
 22          *United States Housing Act of 1937, as added by this*  
 23          *section, the Comptroller General of the United States*  
 24          *shall submit to the Congress a report, which shall in-*  
 25          *clude—*



1           (A) a description of the results of each audit  
2           and review under paragraph (1); and

3           (B) any recommendations for increasing  
4           compliance by public housing agencies with their  
5           public housing agency plans approved under sec-  
6           tion 5A of the United States Housing Act of  
7           1937, as added by this section.

8   **SEC. 107. CONTRACT PROVISIONS AND REQUIREMENTS.**

9           (a) *CONDITIONS.*—Section 6(a) of the United States  
10          Housing Act of 1937 (42 U.S.C. 1437d(a)) is amended—

11                  (1) in the first sentence, by inserting “, in a  
12                  manner consistent with the public housing agency  
13                  plan” before the period; and

14                  (2) by striking the second sentence.

15           (b) *REPEAL OF FEDERAL PREFERENCES; REVISION OF*  
16          *MAXIMUM INCOME LIMITS; CERTIFICATION OF COMPLIANCE*  
17          *WITH REQUIREMENTS; NOTIFICATION OF ELIGIBILITY.*—  
18          Section 6(c) of the United States Housing Act of 1937 (42  
19          U.S.C. 1437d(c)) is amended to read as follows:

20                  “(c) [Reserved.]”.

21           (c) *EXCESS FUNDS.*—Section 6(e) of the United States  
22          Housing Act of 1937 (42 U.S.C. 1437d(e)) is amended to  
23          read as follows:

24                  “(e) [Reserved.]”.

1       (d) *PERFORMANCE INDICATORS FOR PUBLIC HOUSING*  
 2 *AGENCIES.*—Section 6(j) of the United States Housing Act  
 3 of 1937 (42 U.S.C. 1437d(j)) is amended—

4           (1) in paragraph (1)—

5               (A) in subparagraph (B)—

6                   (i) by striking “obligated” and insert-  
 7 ing “provided”; and

8                   (ii) by striking “unexpended” and in-  
 9 serting “unobligated by the public housing  
 10 agency”;

11               (B) in subparagraph (D), by striking “en-  
 12 ergy” and inserting “utility”;

13               (C) by redesignating subparagraph (H) as  
 14 subparagraph (J); and

15               (D) by inserting after subparagraph (G) the  
 16 following new subparagraphs:

17                   “(H) The extent to which the public housing  
 18 agency provides—

19                       “(i) effective programs and activities to  
 20 promote the economic self-sufficiency of pub-  
 21 lic housing tenants; and

22                       “(ii) public housing tenants with op-  
 23 portunities for involvement in the adminis-  
 24 tration of the public housing.

1           “(I) *The extent to which the public housing*  
 2           *agency successfully meets the goals and carries*  
 3           *out the activities and programs of the public*  
 4           *housing agency plan under section 5(A).”; and*

5           (2) *in paragraph (2)(A)(i), by inserting after the*  
 6           *first sentence the following: “The Secretary may use*  
 7           *a simplified set of indicators for public housing agen-*  
 8           *cies with less than 250 public housing units.”.*

9           (e) *LEASES.—Section 6(l) of the United States Hous-*  
 10          *ing Act of 1937 (42 U.S.C. 1437d(l)) is amended—*

11           (1) *in paragraph (3), by striking “not be less*  
 12           *than” and all that follows before the semicolon and*  
 13           *inserting “be the period of time required under State*  
 14           *law”; and*

15           (2) *in paragraph (5), by striking “on or near*  
 16           *such premises”.*

17          (f) *PUBLIC HOUSING ASSISTANCE TO FOSTER CARE*  
 18          *CHILDREN.—Section 6(o) of the United States Housing Act*  
 19          *of 1937 (42 U.S.C. 1437d(o)) is amended by striking “Sub-*  
 20          *ject” and all that follows through “, in” and inserting “In”.*

21          (g) *PREFERENCE FOR AREAS WITH INADEQUATE SUP-*  
 22          *PLY OF VERY LOW-INCOME HOUSING.—Section 6(p) of the*  
 23          *United States Housing Act of 1937 (42 U.S.C. 1437d(p))*  
 24          *is amended to read as follows:*

25           “(p) *[Reserved.]”.*

1       (h) *AVAILABILITY OF CRIMINAL RECORDS FOR*  
 2 *SCREENING AND EVICTION; EVICTION FOR DRUG-RELATED*  
 3 *ACTIVITY.*—*Section 6 of the United States Housing Act of*  
 4 *1937 (42 U.S.C. 1437d) is amended by adding at the end*  
 5 *the following new subsections:*

6       “(q) *AVAILABILITY OF RECORDS.*—

7               “(1) *IN GENERAL.*—

8                       “(A) *PROVISION OF INFORMATION.*—*Not-*  
 9 *withstanding any other provision of law, except*  
 10 *as provided in subparagraph (B), the National*  
 11 *Crime Information Center, police departments,*  
 12 *and other law enforcement agencies shall, upon*  
 13 *request, provide information to public housing*  
 14 *agencies regarding the criminal conviction*  
 15 *records of adult applicants for, or tenants of,*  
 16 *public housing for purposes of applicant screen-*  
 17 *ing, lease enforcement, and eviction.*

18                       “(B) *EXCEPTION.*—*Except as provided*  
 19 *under any provision of State, tribal, or local*  
 20 *law, no law enforcement agency described in sub-*  
 21 *paragraph (A) shall provide information under*  
 22 *this paragraph relating to any criminal convic-*  
 23 *tion if the date of that conviction occurred 5 or*  
 24 *more years prior to the date on which the request*  
 25 *for the information is made.*

1           “(2) *OPPORTUNITY TO DISPUTE.*—*Before an ad-*  
 2           *verse action is taken on the basis of a criminal*  
 3           *record, the public housing agency shall provide the*  
 4           *tenant or applicant with a copy of the criminal*  
 5           *record and an opportunity to dispute the accuracy*  
 6           *and relevance of that record.*

7           “(3) *FEE.*—*A public housing agency may be*  
 8           *charged a reasonable fee for information provided*  
 9           *under paragraph (1).*

10          “(4) *RECORDS MANAGEMENT.*—*Each public*  
 11          *housing agency shall establish and implement a sys-*  
 12          *tem of records management that ensures that any*  
 13          *criminal record received by the public housing agency*  
 14          *is—*

15                 “(A) *maintained confidentially;*

16                 “(B) *not misused or improperly dissemi-*  
 17                 *nated; and*

18                 “(C) *destroyed, once the purpose for which*  
 19                 *the record was requested has been accomplished.*

20          “(5) *DEFINITION.*—*For purposes of this sub-*  
 21          *section, the term ‘adult’ means a person who is 18*  
 22          *years of age or older, or who has been convicted of a*  
 23          *crime as an adult under any Federal, State, or tribal*  
 24          *law.*

1       “(r) *EVICTED FOR DRUG-RELATED ACTIVITY.*—Any  
 2   tenant evicted from housing assisted under this title by rea-  
 3   son of drug-related criminal activity (as that term is de-  
 4   fined in section 8(f)(5)) shall not be eligible for housing as-  
 5   sistance under this title during the 3-year period beginning  
 6   on the date of such eviction, unless the evicted tenant suc-  
 7   cessfully completes a rehabilitation program approved by  
 8   the public housing agency (which shall include a waiver  
 9   of this subsection if the circumstances leading to eviction  
 10   no longer exist).”.

11       (i) *TRANSITION RULE RELATING TO PREFERENCES.*—  
 12   During the period beginning on the date of enactment of  
 13   this Act and ending on the date on which the initial public  
 14   housing agency plan of a public housing agency is approved  
 15   under section 5A of the United States Housing Act of 1937,  
 16   as added by this Act, the public housing agency may estab-  
 17   lish local preferences for making available public housing  
 18   under the United States Housing Act of 1937 and for pro-  
 19   viding tenant-based assistance under section 8 of that Act.

20   **SEC. 108. EXPANSION OF POWERS.**

21       (a) *IN GENERAL.*—Section 6(j)(3) of the United States  
 22   Housing Act of 1937 (42 U.S.C. 1437d(j)(3)) is amended—  
 23       (1) in subparagraph (A)—  
 24               (A) by redesignating clauses (iii) and (iv)  
 25               as clauses (iv) and (v), respectively; and

1           (B) by inserting after clause (ii) the follow-  
2           ing new clause:

3                   “(iii) take possession of the public  
4                   housing agency, including any project or  
5                   function of the agency, including any  
6                   project or function under any other provi-  
7                   sion of this title;”;

8           (2) by redesignating subparagraphs (B) through  
9           (D) as subparagraphs (E) through (G), respectively;  
10          (3) by inserting after subparagraph (A) the fol-  
11          lowing new subparagraphs:

12                   “(B)(i) If a public housing agency is identi-  
13                   fied as troubled under this subsection, the Sec-  
14                   retary shall notify the agency of the troubled sta-  
15                   tus of the agency.

16                   “(ii) The Secretary may give a public hous-  
17                   ing agency a 1-year period, beginning on the  
18                   later of the date on which the agency receives no-  
19                   tice from the Secretary of the troubled status of  
20                   the agency under clause (i), and the date of en-  
21                   actment of the Public Housing Reform and  
22                   Empowerment Act of 1995, within which to dem-  
23                   onstrate improvement satisfactory to the Sec-  
24                   retary. Nothing in this clause shall preclude the  
25                   Secretary from taking any action the Secretary

1        *considers necessary before the commencement or*  
 2        *the expiration of the 1-year period described in*  
 3        *this clause.*

4                *“(iii) Upon the expiration of the 1-year pe-*  
 5        *riod described in clause (ii), if the troubled pub-*  
 6        *lic housing agency has not demonstrated im-*  
 7        *provement satisfactory to the Secretary and the*  
 8        *Secretary has not yet declared the agency to be*  
 9        *in breach of the contract of the agency with the*  
 10        *Federal Government under this title, the Sec-*  
 11        *retary shall declare the public housing agency to*  
 12        *be in substantial default, as described in sub-*  
 13        *paragraph (A).*

14                *“(iv) Upon declaration of a substantial de-*  
 15        *fault under clause (iii), the Secretary—*

16                        *“(I) shall either—*

17                                *“(aa) petition for the appoint-*  
 18        *ment of a receiver pursuant to sub-*  
 19        *paragraph (A)(ii);*

20                                *“(bb) take possession of the public*  
 21        *housing agency or any public housing*  
 22        *projects of the public housing agency*  
 23        *pursuant to subparagraph (A)(iii); or*



1                   “(cc) take such actions as the Sec-  
2                   retary determines to be necessary to  
3                   cure the substantial default; and

4                   “(II) may, in addition, take other ap-  
5                   propriate action.

6                   “(C)(i) If a receiver is appointed pursuant  
7                   to subparagraph (A)(ii), in addition to the pow-  
8                   ers accorded by the court appointing the receiver,  
9                   the receiver—

10                  “(I) may abrogate any contract that  
11                  substantially impedes correction of the sub-  
12                  stantial default;

13                  “(II) may demolish and dispose of the  
14                  assets of the public housing agency, in ac-  
15                  cordance with section 18, including the  
16                  transfer of properties to resident-supported  
17                  nonprofit entities;

18                  “(III) if determined to be appropriate  
19                  by the Secretary, may require the establish-  
20                  ment, as permitted by applicable State,  
21                  tribal, and local law, of one or more new  
22                  public housing agencies; and

23                  “(IV) shall not be subject to any State,  
24                  tribal, or local law relating to civil service  
25                  requirements, employee rights, procurement,

1           *or financial or administrative controls that,*  
2           *in the determination of the receiver, sub-*  
3           *stantially impedes correction of the substan-*  
4           *tial default.*

5           *“(ii) For purposes of this subparagraph, the*  
6           *term ‘public housing agency’ includes any*  
7           *project or function of a public housing agency,*  
8           *as appropriate, including any project or func-*  
9           *tion under any other provision of this title.*

10          *“(D)(i) If the Secretary takes possession of*  
11          *a public housing agency, or any project or func-*  
12          *tion of the agency, pursuant to subparagraph*  
13          *(A)(iii), the Secretary—*

14                *“(I) may abrogate any contract that*  
15                *substantially impedes correction of the sub-*  
16                *stantial default;*

17                *“(II) may demolish and dispose of the*  
18                *assets of the public housing agency, in ac-*  
19                *cordance with section 18, including the*  
20                *transfer of properties to resident-supported*  
21                *nonprofit entities;*

22                *“(III) may require the establishment,*  
23                *as permitted by applicable State, tribal,*  
24                *and local law, of one or more new public*  
25                *housing agencies;*

1           “(IV) shall not be subject to any State,  
2           tribal, or local law relating to civil service  
3           requirements, employee rights, procurement,  
4           or financial or administrative controls that,  
5           in the determination of the Secretary, sub-  
6           stantially impedes correction of the substan-  
7           tial default; and

8           “(V) shall have such additional author-  
9           ity as a district court of the United States  
10          has conferred under like circumstances on a  
11          receiver to fulfill the purposes of the receiv-  
12          ership.

13          “(ii) The Secretary may appoint, on a com-  
14          petitive or noncompetitive basis, an individual  
15          or entity as an administrative receiver to assume  
16          the responsibilities of the Secretary under this  
17          subparagraph for the administration of a public  
18          housing agency. The Secretary may delegate to  
19          the administrative receiver any or all of the pow-  
20          ers given the Secretary by this subparagraph, as  
21          the Secretary determines to be appropriate.

22          “(iii) Regardless of any delegation under  
23          this subparagraph, an administrative receiver  
24          may not require the establishment of one or more  
25          new public housing agencies pursuant to clause

1           (i)(III), unless the Secretary first approves an  
 2           application by the administrative receiver to au-  
 3           thorize such establishment.

4           “(iv) For purposes of this subparagraph, the  
 5           term ‘public housing agency’ includes any  
 6           project or function of a public housing agency,  
 7           as appropriate, including any project or func-  
 8           tion under any other provision of this title.”;  
 9           and

10          (4) by adding at the end the following new sub-  
 11         paragraph:

12                 “(H) If the Secretary (or an administrative  
 13                 receiver appointed by the Secretary) takes posses-  
 14                 sion of a public housing agency (including any  
 15                 project or function of the agency), or if a receiver  
 16                 is appointed by a court, the Secretary or receiver  
 17                 shall be deemed to be acting not in the official  
 18                 capacity of that person or entity, but rather in  
 19                 the capacity of the public housing agency, and  
 20                 any liability incurred, regardless of whether the  
 21                 incident giving rise to that liability occurred  
 22                 while the Secretary or receiver was in possession  
 23                 of the public housing agency (including any  
 24                 project or function of the agency), shall be the li-  
 25                 ability of the public housing agency.”.

1       (b) *APPLICABILITY.*—The amendments made by sub-  
 2       section (a) shall apply to a public housing agency that is  
 3       found to be in substantial default, on or after the date of  
 4       enactment of this Act, with respect to the covenants or con-  
 5       ditions to which the agency is subject (as such substantial  
 6       default is defined in the contract for contributions of the  
 7       agency) or with respect to an agreement entered into under  
 8       section 6(j)(2)(C) of the United States Housing Act of 1937.

9       **SEC. 109. PUBLIC HOUSING DESIGNATED FOR THE ELDER-**  
 10       **LY AND THE DISABLED.**

11       (a) *IN GENERAL.*—Section 7 of the United States  
 12       Housing Act of 1937 (42 U.S.C. 1437e) is amended to read  
 13       as follows:

14       **“SEC. 7. AUTHORITY TO PROVIDE DESIGNATED HOUSING.**

15       “(a) *IN GENERAL.*—Notwithstanding any other provi-  
 16       sion of law, a public housing agency may, in the discretion  
 17       of the public housing agency and without approval by the  
 18       Secretary, designate public housing projects or mixed-in-  
 19       come projects (or portions of projects) for occupancy as el-  
 20       derly housing, disabled housing, or elderly and disabled  
 21       housing. The public housing agency shall establish require-  
 22       ments for this section, including priorities for occupancy,  
 23       in the public housing agency plan.

24       “(b) *PRIORITY FOR OCCUPANCY.*—

1           “(1) *IN GENERAL.*—*In determining priority for*  
2           *admission to public housing projects (or portions of*  
3           *projects) that are designated for occupancy under this*  
4           *section, the public housing agency may make units in*  
5           *such projects (or portions of projects) available only*  
6           *to the types of families for whom the project is des-*  
7           *ignated.*

8           “(2) *ELIGIBILITY OF NEAR-ELDERLY FAMI-*  
9           *LIES.*—*If a public housing agency determines that*  
10          *there are insufficient numbers of elderly families to*  
11          *fill all the units in a public housing project (or por-*  
12          *tion thereof) designated under this section for occu-*  
13          *pancy by only elderly families, the agency may pro-*  
14          *vide that near-elderly families who qualify for occu-*  
15          *pancy may occupy dwelling units in the public hous-*  
16          *ing project (or portion thereof).*

17          “(3) *VACANCY.*—*Notwithstanding paragraphs (1)*  
18          *and (2), in designating a public housing project (or*  
19          *portion thereof) for occupancy by only certain types*  
20          *of families under this section, a public housing agen-*  
21          *cy shall make any dwelling unit that is ready for oc-*  
22          *cupancy in such a project (or portion thereof) that*  
23          *has been vacant for more than 60 consecutive days*  
24          *generally available for occupancy (subject to this title)*  
25          *without regard to that designation.*

1       “(c) *AVAILABILITY OF HOUSING.*—

2               “(1) *TENANT CHOICE.*—*The decision of any dis-*  
3       *abled family not to occupy or accept occupancy in an*  
4       *appropriate public housing project or to otherwise ac-*  
5       *cept any assistance made available to the family*  
6       *under this title shall not adversely affect the family*  
7       *with respect to a public housing agency making avail-*  
8       *able occupancy in other appropriate public housing*  
9       *projects or to otherwise make assistance available to*  
10       *that family under this title.*

11              “(2) *DISCRIMINATORY SELECTION.*—*Paragraph*  
12       *(1) does not apply to any family that decides not to*  
13       *occupy or accept an appropriate dwelling unit in*  
14       *public housing or to accept assistance under this Act*  
15       *on the basis of the race, color, religion, gender, dis-*  
16       *ability, familial status, or national origin of occu-*  
17       *pants of the housing or the surrounding area.*

18              “(3) *APPROPRIATENESS OF DWELLING UNITS.*—  
19       *This section may not be construed to require a public*  
20       *housing agency to offer occupancy in any dwelling*  
21       *unit assisted under this Act to any family that is not*  
22       *of appropriate family size for the dwelling unit.*

23              “(d) *PROHIBITION OF EVICTIONS.*—*Any tenant who is*  
24       *lawfully residing in a dwelling unit in a public housing*  
25       *project may not be evicted or otherwise required to vacate*

1 *that unit as a result of the designation of the public housing*  
 2 *project (or portion thereof) under this section or as a result*  
 3 *of any other action taken by the Secretary or any public*  
 4 *housing agency pursuant to this section.*

5 “(e) *LIMITATION ON OCCUPANCY IN DESIGNATED*  
 6 *PROJECTS.*—

7 “(1) *OCCUPANCY LIMITATION.*—*Notwithstanding*  
 8 *any other provision of law, a dwelling unit in a pub-*  
 9 *lic housing project (or portion of a project) that is*  
 10 *designated under subsection (a) shall not be occupied*  
 11 *by any person whose illegal use (or pattern of illegal*  
 12 *use) of a controlled substance or abuse (or pattern of*  
 13 *abuse) of alcohol—*

14 “(A) *constitutes a disability; and*

15 “(B) *provides reasonable cause for the pub-*  
 16 *lic housing agency to believe that such occupancy*  
 17 *could interfere with the health, safety, or right to*  
 18 *peaceful enjoyment of the premises by the tenants*  
 19 *of the public housing project.*

20 “(2) *REQUIRED STATEMENT.*—*A public housing*  
 21 *agency may not make a dwelling unit in a public*  
 22 *housing project (or portion of a project) designated*  
 23 *under subsection (a) available for occupancy to any*  
 24 *family, unless the application for occupancy by that*  
 25 *family is accompanied by a signed statement that no*



1        *person who will be occupying the unit illegally uses*  
 2        *a controlled substance, or abuses alcohol, in a manner*  
 3        *that would interfere with the health, safety, or right*  
 4        *to peaceful enjoyment of the premises by the tenants*  
 5        *of the public housing project.”.*

6        (b) *LEASE PROVISIONS.*—Section 6(l) of the United  
 7        States Housing Act of 1937 (42 U.S.C. 1437d(l)) is amend-  
 8        ed—

9                (1) *in paragraph (5), by striking “and” at the*  
 10        *end;*

11                (2) *by redesignating paragraph (6) as para-*  
 12        *graph (7); and*

13                (3) *by inserting after paragraph (5) following*  
 14        *new paragraph:*

15                “(6) *provide that any occupancy in violation of*  
 16        *section 7(e)(1) or the furnishing of any false or mis-*  
 17        *leading information pursuant to section 7(e)(2) shall*  
 18        *be cause for termination of tenancy; and”.*

19        (c) *CONFORMING AMENDMENT.*—Section 6(c)(4)(A) of  
 20        the United States Housing Act of 1937 (42 U.S.C.  
 21        1437(b)(4)(A)) is amended by striking “section 7(a)” and  
 22        inserting “section 7”.

1 **SEC. 110. PUBLIC HOUSING CAPITAL AND OPERATING**  
 2 **FUNDS.**

3 (a) *IN GENERAL.*—Section 9 of the United States  
 4 Housing Act of 1937 (42 U.S.C. 1437g) is amended to read  
 5 as follows:

6 **“SEC. 9. PUBLIC HOUSING CAPITAL AND OPERATING**  
 7 **FUNDS.**

8 “(a) *IN GENERAL.*—Except for assistance provided  
 9 under section 8 of this Act or as otherwise provided in the  
 10 Public Housing Reform and Empowerment Act of 1995, all  
 11 programs under which assistance is provided for public  
 12 housing under this Act on the day before October 1, 1997,  
 13 shall be merged, as appropriate, into either—

14 “(1) the Capital Fund established under sub-  
 15 section (c); or

16 “(2) the Operating Fund established under sub-  
 17 section (d).

18 “(b) *USE OF EXISTING FUNDS.*—With the exception  
 19 of funds made available pursuant to section 8 or section  
 20 20(f) and funds made available for the urban revitalization  
 21 demonstration program authorized under the Department  
 22 of Veterans Affairs and Housing and Urban Development,  
 23 and Independent Agencies Appropriations Acts—

24 “(1) funds made available to the Secretary for  
 25 public housing purposes that have not been obligated  
 26 by the Secretary to a public housing agency as of Oc-

1        *tober 1, 1997, shall be made available, for the period*  
 2        *originally provided in law, for use in either the Cap-*  
 3        *ital Fund or the Operating Fund, as appropriate;*  
 4        *and*

5            *“(2) funds made available to the Secretary for*  
 6        *public housing purposes that have been obligated by*  
 7        *the Secretary to a public housing agency but that, as*  
 8        *of October 1, 1997, have not been obligated by the*  
 9        *public housing agency, may be made available by that*  
 10       *public housing agency, for the period originally pro-*  
 11       *vided in law, for use in either the Capital Fund or*  
 12       *the Operating Fund, as appropriate.*

13        *“(c) CAPITAL FUND.—*

14            *“(1) IN GENERAL.—The Secretary shall establish*  
 15        *a Capital Fund for the purpose of making assistance*  
 16        *available to public housing agencies to carry out cap-*  
 17        *ital and management activities, including—*

18            *“(A) the development and modernization of*  
 19        *public housing projects, including the redesign,*  
 20        *reconstruction, and reconfiguration of public*  
 21        *housing sites and buildings and the development*  
 22        *of mixed-income projects;*

23            *“(B) vacancy reduction;*

24            *“(C) addressing deferred maintenance needs*  
 25        *and the replacement of dwelling equipment;*

1                   “(D) planned code compliance;

2                   “(E) management improvements;

3                   “(F) demolition and replacement;

4                   “(G) tenant relocation;

5                   “(H) capital expenditures to facilitate pro-  
6                   grams to improve the economic empowerment  
7                   and self-sufficiency of public housing tenants;  
8                   and

9                   “(I) capital expenditures to improve the se-  
10                  curity and safety of residents.

11                  “(2) ESTABLISHMENT OF CAPITAL FUND FOR-  
12                  MULA.—The Secretary shall develop a formula for  
13                  providing assistance under the Capital Fund, which  
14                  may take into account—

15                   “(A) the number of public housing dwelling  
16                   units owned or operated by the public housing  
17                   agency and the percentage of those units that are  
18                   occupied by very low-income families;

19                   “(B) if applicable, the reduction in the  
20                   number of public housing units owned or oper-  
21                   ated by the public housing agency as a result of  
22                   any conversion to a system of tenant-based as-  
23                   sistance;

24                   “(C) the costs to the public housing agency  
25                   of meeting the rehabilitation and modernization

1        *needs, and meeting the reconstruction, develop-*  
 2        *ment, and demolition needs of public housing*  
 3        *dwelling units owned and operated by the public*  
 4        *housing agency;*

5                *“(D) the degree of household poverty served*  
 6        *by the public housing agency;*

7                *“(E) the costs to the public housing agency*  
 8        *of providing a safe and secure environment in*  
 9        *public housing units owned and operated by the*  
 10        *public housing agency; and*

11                *“(F) the ability of the public housing agen-*  
 12        *cy to effectively administer the Capital Fund*  
 13        *distribution of the public housing agency.*

14        *“(d) OPERATING FUND.—*

15                *“(1) IN GENERAL.—The Secretary shall establish*  
 16        *an Operating Fund for the purpose of making assist-*  
 17        *ance available to public housing agencies for the oper-*  
 18        *ation and management of public housing, includ-*  
 19        *ing—*

20                *“(A) procedures and systems to maintain*  
 21        *and ensure the efficient management and oper-*  
 22        *ation of public housing units;*

23                *“(B) activities to ensure a program of rou-*  
 24        *tine preventative maintenance;*

1           “(C) anticrime and antidrug activities, in-  
 2           cluding the costs of providing adequate security  
 3           for public housing tenants;

4           “(D) activities related to the provision of  
 5           services, including service coordinators for elder-  
 6           ly persons or persons with disabilities;

7           “(E) activities to provide for management  
 8           and participation in the management of public  
 9           housing by public housing tenants;

10          “(F) the costs associated with the operation  
 11          and management of mixed-income projects, to  
 12          the extent appropriate (including the funding of  
 13          an operating reserve to ensure affordability for  
 14          low-income families in lieu of the availability of  
 15          operating funds for public housing units in a  
 16          mixed-income project);

17          “(G) the reasonable costs of insurance;

18          “(H) the reasonable energy costs associated  
 19          with public housing units, with an emphasis on  
 20          energy conservation; and

21          “(I) the costs of administering a public  
 22          housing work program under section 12, includ-  
 23          ing the costs of any related insurance needs.

24          “(2) ESTABLISHMENT OF OPERATING FUND FOR-  
 25          MULA.—The Secretary shall establish a formula for

1       *providing assistance under the Operating Fund,*  
2       *which may take into account—*

3               “(A) *standards for the costs of operation*  
4               *and reasonable projections of income, taking into*  
5               *account the character and location of the public*  
6               *housing project and characteristics of the fami-*  
7               *lies served, or the costs of providing comparable*  
8               *services as determined with criteria or a formula*  
9               *representing the operations of a prototype well-*  
10              *managed public housing project;*

11              “(B) *the number of public housing dwelling*  
12              *units owned and operated by the public housing*  
13              *agency, the percentage of those units that are oc-*  
14              *cupied by very low-income families, and, if ap-*  
15              *plicable, the reduction in the number of public*  
16              *housing units as a result of any conversion to a*  
17              *system of tenant-based assistance;*

18              “(C) *the degree of household poverty served*  
19              *by a public housing agency;*

20              “(D) *the extent to which the public housing*  
21              *agency provides programs and activities de-*  
22              *signed to promote the economic self-sufficiency*  
23              *and management skills of public housing ten-*  
24              *ants;*

1           “(E) the number of dwelling units owned  
2           and operated by the public housing agency that  
3           are chronically vacant and the amount of assist-  
4           ance appropriate for those units;

5           “(F) the costs of the public housing agency  
6           associated with anticrime and antidrug activi-  
7           ties, including the costs of providing adequate se-  
8           curity for public housing tenants; and

9           “(G) the ability of the public housing agen-  
10          cy to effectively administer the Operating Fund  
11          distribution of the public housing agency.

12       “(e) LIMITATIONS ON USE OF FUNDS.—

13           “(1) IN GENERAL.—Each public housing agency  
14          may use not more than 20 percent of the Capital  
15          Fund distribution of the public housing agency for  
16          activities that are eligible for assistance under the  
17          Operating Fund under subsection (d), if the public  
18          housing agency plan provides for such use.

19           “(2) NEW CONSTRUCTION.—

20           “(A) IN GENERAL.—A public housing agen-  
21          cy may not use any of the Capital Fund or Op-  
22          erating Fund distributions of the public housing  
23          agency for the purpose of constructing any pub-  
24          lic housing unit, if such construction would re-  
25          sult in a net increase in the number of public



1        *housing units owned or operated by the public*  
 2        *housing agency on the date of enactment of the*  
 3        *Public Housing Reform and Empowerment Act*  
 4        *of 1995, including any public housing units de-*  
 5        *molished as part of any revitalization effort.*

6                “(B) *EXCEPTION.*—Notwithstanding sub-  
 7        *paragraph (A), a public housing agency may use*  
 8        *the Capital Fund or Operating Fund distribu-*  
 9        *tions of the public housing agency for the con-*  
 10        *struction and operation of housing units that are*  
 11        *available and affordable to low-income families*  
 12        *in excess of the limitations on new construction*  
 13        *set forth in subparagraph (A), except that the*  
 14        *formulae established under subsections (c)(2) and*  
 15        *(d)(2) shall not provide additional funding for*  
 16        *the specific purpose of allowing construction and*  
 17        *operation of housing in excess of those limita-*  
 18        *tions.”.*

19                “(f) *OPERATING AND CAPITAL ASSISTANCE TO RESI-*  
 20        *DENT MANAGEMENT CORPORATIONS.*—*The Secretary shall*  
 21        *directly provide operating and capital assistance under this*  
 22        *section to each resident management corporation managing*  
 23        *a public housing project pursuant to a contract under this*  
 24        *section, which assistance shall be used for purposes of oper-*  
 25        *ating the public housing project and performing such other*

1 *eligible activities with respect to the project as may be pro-*  
 2 *vided under the contract.*

3       “(g) *INDIAN HOUSING PROGRAMS.*—*To the extent pro-*  
 4 *vided in advance in appropriations Acts, the Secretary*  
 5 *shall carry out housing programs for Indians in accordance*  
 6 *with such formulas and programs as the Secretary shall*  
 7 *establish by regulation.*

8       “(h) *TECHNICAL ASSISTANCE.*—*To the extent ap-*  
 9 *proved in advance in appropriations Acts, the Secretary*  
 10 *may make grants or enter into contracts in accordance with*  
 11 *this subsection for purposes of providing, either directly or*  
 12 *indirectly—*

13               “(1) *technical assistance to public housing agen-*  
 14 *cies, resident councils, resident organizations, and*  
 15 *resident management corporations, including assist-*  
 16 *ance relating to monitoring and inspections;*

17               “(2) *training for public housing agency employ-*  
 18 *ees and tenants;*

19               “(3) *data collection and analysis; and*

20               “(4) *training, technical assistance, and edu-*  
 21 *cation to assist public housing agencies that are—*

22                       “(A) *at risk of being designated as troubled*  
 23 *under section 6(j) from being so designated; and*

24                       “(B) *designated as troubled under section*  
 25 *6(j) in achieving the removal of that designation.*

1 “(i) *EMERGENCY RESERVE*.—

2 “(1) *IN GENERAL*.—

3 “(A) *SET-ASIDE*.—*In each fiscal year, the*  
 4 *Secretary shall set aside not more than 2 percent*  
 5 *of the amount made available for use under the*  
 6 *capital fund to carry out this section for that fis-*  
 7 *cal year for use in accordance with this sub-*  
 8 *section.*

9 “(B) *USE OF FUNDS*.—

10 “(i) *EMERGENCIES*.—*Amounts set*  
 11 *aside under this paragraph shall be avail-*  
 12 *able to the Secretary for use in connection*  
 13 *with emergencies, as determined by the Sec-*  
 14 *retary, and in connection with housing*  
 15 *needs resulting from any settlement of liti-*  
 16 *gation.*

17 “(ii) *ADDITIONAL FUNDS*.—*To the ex-*  
 18 *tent that there are funds from amounts set*  
 19 *aside under this paragraph in excess to the*  
 20 *needs described in clause (i), the Secretary*  
 21 *may use those funds for the costs of estab-*  
 22 *lishing and administering a witness reloca-*  
 23 *tion program, which shall be established by*  
 24 *the Secretary in conjunction with the Attor-*  
 25 *ney General of the United States.*

1           “(2) *ALLOCATION.*—

2                   “(A) *IN GENERAL.*—*Amounts set aside*  
 3                   *under this subsection shall initially be allocated*  
 4                   *based on the emergency and litigation settlement*  
 5                   *needs of public housing agencies, in such man-*  
 6                   *ner, and in such amounts as the Secretary shall*  
 7                   *determine.*

8                   “(B) *PUBLICATION.*—*The Secretary shall*  
 9                   *publish the use of any amounts allocated under*  
 10                   *this subsection in the Federal Register.”.*

11           (b) *IMPLEMENTATION; EFFECTIVE DATE; TRANSITION*  
 12           *PERIOD.*—

13                   (1) *IMPLEMENTATION.*—*Not later than 1 year*  
 14                   *after the date of enactment of this Act, in accordance*  
 15                   *with the negotiated rulemaking procedures set forth in*  
 16                   *subchapter III of chapter 5 of title 5, United States*  
 17                   *Code, the Secretary shall establish the formulas de-*  
 18                   *scribed in subsections (c)(3) and (d)(2) of section 9 of*  
 19                   *the Public Housing Reform and Empowerment Act of*  
 20                   *1995, as amended by this section.*

21                   (2) *EFFECTIVE DATE.*—*The formulas established*  
 22                   *under paragraph (1) shall be effective only with re-*  
 23                   *spect to amounts made available under section 9 of*  
 24                   *the United States Housing Act of 1937, as amended*

1       *by this section, in fiscal year 1998 or in any succeed-*  
 2       *ing fiscal year.*

3           (3) *TRANSITION PERIOD.*—*Prior to the effective*  
 4       *date described in paragraph (2), the Secretary shall*  
 5       *provide that each public housing agency shall receive*  
 6       *funding under sections 9 and 14 of the United States*  
 7       *Housing Act of 1937, as those sections existed on the*  
 8       *day before the date of enactment of this Act.*

9       (c) *DRUG ELIMINATION GRANTS.*—

10           (1) *FUNDING AUTHORIZATION.*—

11           (A) *IN GENERAL.*—*To the extent provided*  
 12       *in advance in appropriations Acts for fiscal*  
 13       *years 1996 and 1997, the Secretary shall make*  
 14       *grants for—*

15           (i) *use in eliminating drug-related*  
 16       *crime under the Public and Assisted Hous-*  
 17       *ing Drug Elimination Act of 1990; and*

18           (ii) *drug elimination clearinghouse*  
 19       *services authorized by section 5143 of the*  
 20       *Drug-Free Public Housing Act of 1988.*

21           (B) *SET-ASIDE.*—*Of any amounts made*  
 22       *available to carry out subparagraph (A), the*  
 23       *Secretary shall set aside amounts for grants,*  
 24       *technical assistance, contracts, and other assist-*  
 25       *ance, and for training, program assessment, and*

1       *execution for or on behalf of public housing agen-*  
2       *cies and resident organizations (including the*  
3       *cost of necessary travel for participants in such*  
4       *training).*

5       (2) *PROGRAM REQUIREMENTS.—The use of*  
6       *amounts made available under paragraph (1) shall be*  
7       *governed by the Public and Assisted Housing Drug*  
8       *Elimination Act of 1990, except as follows:*

9               (A) *FORMULA ALLOCATION.—Notwithstand-*  
10       *ing the Public and Assisted Housing Drug*  
11       *Elimination Act of 1990, after setting aside*  
12       *amounts for assisted housing under section*  
13       *5130(b) of such Act, the Secretary may make*  
14       *grants to public housing agencies in accordance*  
15       *with a formula established by the Secretary,*  
16       *which shall—*

17                       (i) *take into account the needs of the*  
18                       *public housing agency for anticrime fund-*  
19                       *ing, and the amount of funding that the*  
20                       *public housing agency has received under*  
21                       *the Public and Assisted Housing Drug*  
22                       *Elimination Act of 1990 during fiscal years*  
23                       *1993, 1994, and 1995; and*

1                   (ii) not exclude an eligible public hous-  
 2                   ing agency that has not received funding  
 3                   during the period described in clause (i).

4                   (B) *OTHER TYPES OF CRIME.*—For pur-  
 5                   poses of this subsection, the Secretary may define  
 6                   the term “drug-related crime” to include crimi-  
 7                   nal actions other than those described in section  
 8                   5126(2) of the Public and Assisted Housing  
 9                   Drug Elimination Act of 1990.

10                  (3) *SUNSET.*—No grant may be made under this  
 11                  subsection on or after October 1, 1998.

12   **SEC. 111. LABOR STANDARDS.**

13                  Section 12 of the United States Housing Act of 1937  
 14                  (42 U.S.C. 1437j) is amended by adding at the end the fol-  
 15                  lowing new subsection:

16                  “(c) *WORK REQUIREMENT.*—

17                         “(1) *IN GENERAL.*—Notwithstanding any other  
 18                         provision of law, each adult member of each family  
 19                         assisted under this title shall contribute not less than  
 20                         8 hours of volunteer work per month (not to include  
 21                         any political activity) within the community in  
 22                         which that adult resides.

23                         “(2) *INCLUSION IN PLAN.*—Each public housing  
 24                         agency shall include in the public housing agency  
 25                         plan a detailed description of the manner in which

1        *the public housing agency intends to implement and*  
 2        *administer paragraph (1).*

3                “(3) *EXEMPTIONS.—The Secretary may provide*  
 4        *an exemption from paragraph (1) for any adult who*  
 5        *is—*

6                “(A) *not less than 62 years of age;*

7                “(B) *a person with disabilities who is un-*  
 8        *able, as determined in accordance with guide-*  
 9        *lines established by the Secretary, to comply with*  
 10       *this section;*

11               “(C) *working not less than 20 hours per*  
 12       *week, a student, receiving vocational training, or*  
 13       *otherwise meeting work, training, or educational*  
 14       *requirements of a public assistance program; or*

15               “(D) *a single parent or the spouse of an*  
 16       *otherwise exempt individual who is the primary*  
 17       *caretaker of one or more children who are 6*  
 18       *years of age or younger.”.*

19    ***SEC. 112. REPEAL OF ENERGY CONSERVATION; CONSORTIA***  
 20                ***AND JOINT VENTURES.***

21        *Section 13 of the United States Housing Act of 1937*  
 22    *(42 U.S.C. 1437k) is amended to read as follows:*



1 ***“SEC. 13. CONSORTIA, JOINT VENTURES, AFFILIATES, AND***  
 2 ***SUBSIDIARIES OF PUBLIC HOUSING AGEN-***  
 3 ***CIES.***

4 *“(a) CONSORTIA.—*

5 *“(1) IN GENERAL.—Any 2 or more public hous-*  
 6 *ing agencies may participate in a consortium for the*  
 7 *purpose of administering any or all of the housing*  
 8 *programs of those public housing agencies in accord-*  
 9 *ance with this section.*

10 *“(2) EFFECT.—With respect to any consortium*  
 11 *described in paragraph (1)—*

12 *“(A) any assistance made available under*  
 13 *this title to each of the public housing agencies*  
 14 *participating in the consortium shall be paid to*  
 15 *the consortium; and*

16 *“(B) all planning and reporting require-*  
 17 *ments imposed upon each public housing agency*  
 18 *participating in the consortium with respect to*  
 19 *the programs operated by the consortium shall be*  
 20 *consolidated.*

21 *“(3) RESTRICTIONS.—*

22 *“(A) AGREEMENT.—Each consortium de-*  
 23 *scribed in paragraph (1) shall be formed and op-*  
 24 *erated in accordance with a consortium agree-*  
 25 *ment, and shall be subject to the requirements of*  
 26 *a joint public housing agency plan, which shall*

1       *be submitted by the consortium in accordance*  
 2       *with section 5A.*

3               “(B) *MINIMUM REQUIREMENTS.*—*The Sec-*  
 4       *retary shall specify minimum requirements re-*  
 5       *lating to the formation and operation of consor-*  
 6       *tia and the minimum contents of consortium*  
 7       *agreements under this paragraph.*

8       “(b) *JOINT VENTURES.*—

9               “(1) *IN GENERAL.*—*Notwithstanding any other*  
 10       *provision of law, a public housing agency, in accord-*  
 11       *ance with the public housing agency plan, may—*

12               “(A) *form and operate wholly owned or con-*  
 13       *trolled subsidiaries (which may be nonprofit cor-*  
 14       *porations) and other affiliates, any of which*  
 15       *may be directed, managed, or controlled by the*  
 16       *same persons who constitute the board of com-*  
 17       *missioners or other similar governing body of the*  
 18       *public housing agency, or who serve as employees*  
 19       *or staff of the public housing agency; or*

20               “(B) *enter into joint ventures, partnerships,*  
 21       *or other business arrangements with, or contract*  
 22       *with, any person, organization, entity, or gov-*  
 23       *ernmental unit, with respect to the administra-*  
 24       *tion of the programs of the public housing agen-*

1           *cy, including any program that is subject to this*  
 2           *title.*

3           “(2) *USE OF INCOME.*—*Any income generated*  
 4           *under paragraph (1) shall be used for low-income*  
 5           *housing or to benefit the tenants of the public housing*  
 6           *agency.*

7           “(3) *AUDITS.*—*The Comptroller General of the*  
 8           *United States, the Secretary, and the Inspector Gen-*  
 9           *eral of the Department of Housing and Urban Devel-*  
 10          *opment may conduct an audit of any activity under-*  
 11          *taken under paragraph (1) at any time.”.*

12   **SEC. 113. REPEAL OF MODERNIZATION FUND.**

13          (a) *IN GENERAL.*—*Section 14 of the United States*  
 14          *Housing Act of 1937 (42 U.S.C. 1437l) is repealed.*

15          (b) *CONFORMING AMENDMENTS.*—*The United States*  
 16          *Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—*

17                  (1) *in section 5(c)(5), by striking “for use under*  
 18                  *section 14 or”;*

19                  (2) *in section 5(c)(7)—*

20                          (A) *in subparagraph (A)—*

21                                  (i) *by striking clause (iii); and*

22                                  (ii) *by redesignating clauses (iv)*  
 23                                  *through (x) as clauses (iii) through (ix), re-*  
 24                                  *spectively; and*

25                          (B) *in subparagraph (B)—*

1                   (i) by striking clause (iii); and

2                   (ii) by redesignating clauses (iv)  
3                   through (x) as clauses (iii) through (ix), re-  
4                   spectively;

5           (3) in section 6(j)(1)—

6                   (A) by striking subparagraph (B); and

7                   (B) by redesignating subparagraphs (C)  
8                   through (H) as subparagraphs (B) through (G),  
9                   respectively;

10          (4) in section 6(j)(2)(A)—

11                   (A) in clause (i), by striking “The Secretary  
12                   shall also designate,” and all that follows  
13                   through the period at the end; and

14                   (B) in clause (iii), by striking “(including  
15                   designation as a troubled agency for purposes of  
16                   the program under section 14)”;

17          (5) in section 6(j)(2)(B)—

18                   (A) in clause (i), by striking “and deter-  
19                   mining that an assessment under this subpara-  
20                   graph will not duplicate any review conducted  
21                   under section 14(p)”;

22                   (B) in clause (ii)—

23                   (i) by striking “(I) the agency’s com-  
24                   prehensive plan prepared pursuant to sec-  
25                   tion 14 adequately and appropriately ad-

1           *dresses the rehabilitation needs of the agen-*  
 2           *cy's inventory, (II)'' and inserting ''(I)'';*  
 3           *and*

4                   *(ii) by striking ''(III)'' and inserting*  
 5           *''(II)'';*

6           *(6) in section 6(j)(3)—*

7                   *(A) in clause (ii), by adding ''and'' at the*  
 8           *end;*

9                   *(B) by striking clause (iii); and*

10                  *(C) by redesignating clause (iv) as clause*  
 11           *(iii);*

12           *(7) in section 6(j)(4)—*

13                   *(A) in subparagraph (D), by adding ''and''*  
 14           *at the end;*

15                   *(B) in subparagraph (E), by striking '';*  
 16           *and'' at the end and inserting a period; and*

17                   *(C) by striking subparagraph (F);*

18           *(8) in section 20—*

19                   *(A) by striking subsection (c) and inserting*  
 20           *the following:*

21           *''(c) [Reserved.]''; and*

22                   *(B) by striking subsection (f) and inserting*  
 23           *the following:*

24           *''(f) [Reserved.]'';*

25           *(9) in section 21(a)(2)—*

1                   (A) by striking subparagraph (A); and

2                   (B) by redesignating subparagraphs (B)

3                   and (C) as subparagraphs (A) and (B), respec-

4                   tively;

5                   (10) in section 21(a)(3)(A)(v), by striking “the

6                   building or buildings meet the minimum safety and

7                   livability standards applicable under section 14,

8                   and”;

9                   (11) in section 25(b)(1), by striking “From

10                  amounts reserved” and all that follows through “the

11                  Secretary may” and inserting the following: To the

12                  extent approved in appropriations Acts, the Secretary

13                  may”;

14                  (12) in section 25(e)(2)—

15                   (A) by striking “The Secretary” and insert-

16                   ing “To the extent approved in appropriations

17                   Acts, the Secretary”; and

18                   (B) by striking “available annually from

19                   amounts under section 14”;

20                  (13) in section 25(e), by striking paragraph (3);

21                  (14) in section 25(f)(2)(G)(i), by striking “in-

22                  cluding—” and all that follows through “an expla-

23                  nation” and inserting “including an explanation”;

24                  (15) in section 25(i)(1), by striking the second

25                  sentence; and

1           (16) in section 202(b)(2)—

2                   (A) by striking “(b) *FINANCIAL ASSIST-*  
3                   *ANCE.—*” and all that follows through “*The Sec-*  
4                   *retary may,*” and inserting the following:

5           “(b) *FINANCIAL ASSISTANCE.—The Secretary may*”;  
6           and

7                   (B) by striking paragraph (2).

8           ***SEC. 114. ELIGIBILITY FOR PUBLIC AND ASSISTED HOUS-***  
9                   ***ING.***

10           *Section 16 of the United States Housing Act of 1937*  
11           *(42 U.S.C. 1437n) is amended to read as follows:*

12           ***“SEC. 16. ELIGIBILITY FOR PUBLIC AND ASSISTED HOUS-***  
13                   ***ING.***

14           “(a) *INCOME ELIGIBILITY FOR CERTAIN PUBLIC AND*  
15           *ASSISTED HOUSING.—*

16                   “(1) *IN GENERAL.—Of the dwelling units of a*  
17                   *public housing agency, including dwelling units re-*  
18                   *ceiving tenant-based assistance under section 8 and*  
19                   *public housing units in a designated mixed-income*  
20                   *project, made available for occupancy in any fiscal*  
21                   *year of the public housing agency—*

22                           “(A) *not less than 40 percent shall be occu-*  
23                           *pied by families whose incomes do not exceed 30*  
24                           *percent of the area median income for those fam-*  
25                           *ilies;*

1           “(B) not less than 75 percent shall be occu-  
 2           pied by families whose incomes do not exceed 60  
 3           percent of the area median income for those fam-  
 4           ilies; and

5           “(C) any remaining dwelling units may be  
 6           made available for families whose incomes do not  
 7           exceed 80 percent of the area median income for  
 8           those families.

9           “(2) *ESTABLISHMENT OF DIFFERENT STAND-*  
 10          *ARDS.—Notwithstanding paragraph (1), if approved*  
 11          *by the Secretary, a public housing agency, in accord-*  
 12          *ance with the public housing agency plan, may for*  
 13          *good cause establish and implement an occupancy*  
 14          *standard other than the standard described in para-*  
 15          *graph (1).*

16          “(3) *MIXED-INCOME HOUSING STANDARD.—Each*  
 17          *public housing agency plan submitted by a public*  
 18          *housing agency shall include a plan for achieving a*  
 19          *diverse income mix among tenants in each public*  
 20          *housing project of the public housing agency and*  
 21          *among the scattered site public housing of the public*  
 22          *housing agency.*

23          “(b) *INELIGIBILITY OF ILLEGAL DRUG USERS AND AL-*  
 24          *COHOL ABUSERS.—Notwithstanding any other provision of*



1 *law, a public housing agency shall establish standards for*  
2 *occupancy in public housing dwelling units—*

3       “(1) *that prohibit occupancy in any such unit*  
4       *by any person—*

5               “(A) *who the public housing agency deter-*  
6               *mines is illegally using a controlled substance; or*

7               “(B) *if the public housing agency deter-*  
8               *mines that it has reasonable cause to believe that*  
9               *such person’s illegal use (or pattern of illegal*  
10              *use) of a controlled substance, or abuse (or pat-*  
11              *tern of abuse) of alcohol, could interfere with the*  
12              *health, safety, or right to peaceful enjoyment of*  
13              *the premises by the tenants of the public housing*  
14              *project; and*

15       “(2) *that allow the public housing agency to ter-*  
16       *minate the tenancy in any public housing unit of any*  
17       *person—*

18               “(A) *if the public housing agency deter-*  
19               *mines that such person is illegally using a con-*  
20               *trolled substance; or*

21               “(B) *whose illegal use of a controlled sub-*  
22               *stance, or whose abuse of alcohol, is determined*  
23               *by the public housing agency to interfere with*  
24               *the health, safety, or right to peaceful enjoyment*

1           *of the premises by the tenants of the public hous-*  
 2           *ing project.*

3           “(c) *INAPPLICABILITY TO INDIAN HOUSING.*—*This sec-*  
 4           *tion does not apply to any dwelling unit assisted by an*  
 5           *Indian housing authority.”.*

6           ***SEC. 115. DEMOLITION AND DISPOSITION OF PUBLIC HOUS-***  
 7                                   ***ING.***

8           (a) *IN GENERAL.*—*Section 18 of the United States*  
 9           *Housing Act of 1937 (42 U.S.C. 1437p) is amended to read*  
 10          *as follows:*

11          ***“SEC. 18. DEMOLITION AND DISPOSITION OF PUBLIC HOUS-***  
 12                                   ***ING.***

13           “(a) *APPLICATIONS FOR DEMOLITION AND DISPOSI-*  
 14           *TION.*—*Except as provided in subsection (b), not later than*  
 15           *60 days after receiving an application by a public housing*  
 16           *agency for authorization, with or without financial assist-*  
 17           *ance under this title, to demolish or dispose of a public*  
 18           *housing project or a portion of a public housing project (in-*  
 19           *cluding any transfer to a resident-supported nonprofit en-*  
 20           *tity), the Secretary shall approve the application, if the*  
 21           *public housing agency certifies—*

22                           “(1) *in the case of—*

23                                   “(A) *an application proposing demolition*  
 24                           *of a public housing project or a portion of a pub-*  
 25                           *lic housing project, that—*

1           “(i) the project or portion of the public  
2           housing project is obsolete as to physical  
3           condition, location, or other factors, making  
4           it unsuitable for housing purposes; and

5           “(ii) no reasonable program of modi-  
6           fications is cost-effective to return the public  
7           housing project or portion of the project to  
8           useful life; and

9           “(B) an application proposing the demoli-  
10          tion of only a portion of a public housing  
11          project, that the demolition will help to assure  
12          the viability of the remaining portion of the  
13          project;

14          “(2) in the case of an application proposing dis-  
15          position of a public housing project or other real  
16          property subject to this title by sale or other transfer,  
17          that—

18               “(A) the retention of the property is not in  
19               the best interests of the tenants or the public  
20               housing agency because—

21                   “(i) conditions in the area surrounding  
22                   the public housing project adversely affect  
23                   the health or safety of the tenants or the fea-  
24                   sible operation of the project by the public  
25                   housing agency; or

1                   “(ii) disposition allows the acquisition,  
2                   development, or rehabilitation of other prop-  
3                   erties that will be more efficiently or effec-  
4                   tively operated as low-income housing;

5                   “(B) the public housing agency has other-  
6                   wise determined the disposition to be appro-  
7                   priate for reasons that are—

8                   “(i) in the best interests of the tenants  
9                   and the public housing agency;

10                  “(ii) consistent with the goals of the  
11                  public housing agency and the public hous-  
12                  ing agency plan; and

13                  “(iii) otherwise consistent with this  
14                  title; or

15                  “(C) for property other than dwelling units,  
16                  the property is excess to the needs of a public  
17                  housing project or the disposition is incidental  
18                  to, or does not interfere with, continued oper-  
19                  ation of a public housing project;

20                  “(3) that the public housing agency has specifi-  
21                  cally authorized the demolition or disposition in the  
22                  public housing agency plan, and has certified that the  
23                  actions contemplated in the public housing agency  
24                  plan comply with this section;

25                  “(4) that the public housing agency—

1           “(A) will provide for the payment of the re-  
2           location expenses of each tenant to be displaced;

3           “(B) will ensure that the amount of rent  
4           paid by the tenant following relocation will not  
5           exceed the amount permitted under this title;  
6           and

7           “(C) will not commence demolition or com-  
8           plete disposition until all tenants residing in the  
9           unit are relocated;

10          “(5) that the net proceeds of any disposition will  
11          be used—

12               “(A) unless waived by the Secretary, for the  
13               retirement of outstanding obligations issued to  
14               finance the original public housing project or  
15               modernization of the project; and

16               “(B) to the extent that any proceeds remain  
17               after the application of proceeds in accordance  
18               with subparagraph (A), for the provision of low-  
19               income housing or to benefit the tenants of the  
20               public housing agency; and

21          “(6) that the public housing agency has complied  
22          with subsection (c).

23          “(b) *DISAPPROVAL OF APPLICATIONS.*—The Secretary  
24          shall disapprove an application submitted under subsection  
25          (a) if the Secretary determines that any certification made

1 *by the public housing agency under that subsection is clear-*  
 2 *ly inconsistent with information and data available to the*  
 3 *Secretary.*

4 “(c) *TENANT OPPORTUNITY TO PURCHASE IN CASE OF*  
 5 *PROPOSED DISPOSITION.*—

6 “(1) *IN GENERAL.*—*In the case of a proposed*  
 7 *disposition of a public housing project or portion of*  
 8 *a project, the public housing agency shall, in appro-*  
 9 *priate circumstances, as determined by the Secretary,*  
 10 *initially offer the property to any eligible resident or-*  
 11 *ganization, eligible resident management corporation,*  
 12 *or nonprofit organization supported by the residents,*  
 13 *if that entity has expressed an interest, in writing, to*  
 14 *the public housing agency in a timely manner, in*  
 15 *purchasing the property for continued use as low-in-*  
 16 *come housing.*

17 “(2) *TIMING.*—

18 “(A) *THIRTY-DAY NOTICE.*—*A resident or-*  
 19 *ganization, resident management corporation, or*  
 20 *other resident-supported nonprofit entity referred*  
 21 *to in paragraph (1) may express interest in pur-*  
 22 *chasing property that is the subject of a disposi-*  
 23 *tion, as described in paragraph (1), during the*  
 24 *30-day period beginning on the date of notifica-*  
 25 *tion of a proposed sale of the property.*

1                   “(B) *SIXTY-DAY NOTICE.*—*If an entity ex-*  
 2                   *presses written interest in purchasing a prop-*  
 3                   *erty, as provided in subparagraph (A), no*  
 4                   *disposition of the property shall occur during the*  
 5                   *60-day period beginning on the date of receipt of*  
 6                   *that written notice, during which time that en-*  
 7                   *tity shall be given the opportunity to obtain a*  
 8                   *firm commitment for financing the purchase of*  
 9                   *the property.*

10           “(d) *REPLACEMENT UNITS.*—*Notwithstanding any*  
 11           *other provision of law, replacement housing units for public*  
 12           *housing units demolished in accordance with this section*  
 13           *may be built on the original public housing location or in*  
 14           *the same neighborhood as the original public housing loca-*  
 15           *tion if the number of those replacement units is fewer than*  
 16           *the number of units demolished.”.*

17           (b) *HOMEOWNERSHIP REPLACEMENT PLAN.*—

18                   (1) *IN GENERAL.*—*Section 304(g) of the United*  
 19                   *States Housing Act of 1937 (42 U.S.C. 1437aaa–*  
 20                   *3(g)), as amended by section 1002(b) of the Emer-*  
 21                   *gency Supplemental Appropriations for Additional*  
 22                   *Disaster Assistance, for Anti-terrorism Initiatives, for*  
 23                   *Assistance in the Recovery from the Tragedy that Oc-*  
 24                   *curred At Oklahoma City, and Rescissions Act, 1995,*  
 25                   *is amended to read as follows:*

1 “(g) [Reserved.]”.

2 (2) *EFFECTIVE DATE.*—*The amendment made by*  
 3 *paragraph (1) shall be effective with respect to any*  
 4 *plan for the demolition, disposition, or conversion to*  
 5 *homeownership of public housing that is approved by*  
 6 *the Secretary after September 30, 1995.*

7 (c) *UNIFORM RELOCATION AND REAL PROPERTY AC-*  
 8 *QUISITION ACT.*—*The Uniform Relocation and Real Prop-*  
 9 *erty Acquisition Act shall not apply to activities under*  
 10 *section 18 of the United States Housing Act of 1937, as*  
 11 *amended by this section.*

12 **SEC. 116. REPEAL OF FAMILY INVESTMENT CENTERS;**  
 13 **VOUCHER SYSTEM FOR PUBLIC HOUSING.**

14 (a) *IN GENERAL.*—*Section 22 of the United States*  
 15 *Housing Act of 1937 (42 U.S.C. 1437t) is amended to read*  
 16 *as follows:*

17 **“SEC. 22. VOUCHER SYSTEM FOR PUBLIC HOUSING.**

18 **“(a) IN GENERAL.—**

19 **“(1) AUTHORIZATION.**—*A public housing agency*  
 20 *may convert any public housing project (or portion*  
 21 *thereof) owned and operated by the public housing*  
 22 *agency to a system of tenant-based assistance in ac-*  
 23 *cordance with this section.*

24 **“(2) REQUIREMENTS.**—*In converting to a ten-*  
 25 *ant-based system of assistance under this section, the*



1     *public housing agency shall develop a conversion as-*  
 2     *essment and plan under subsection (b) in consulta-*  
 3     *tion with the appropriate public officials, with*  
 4     *significant participation by the residents of the*  
 5     *project (or portion thereof), which assessment and*  
 6     *plan shall—*

7             *“(A) be consistent with and part of the pub-*  
 8             *lic housing agency plan; and*

9             *“(B) describe the conversion and future use*  
 10            *or disposition of the public housing project, in-*  
 11            *cluding an impact analysis on the affected com-*  
 12            *munity.*

13     *“(b) CONVERSION ASSESSMENT AND PLAN.—*

14            *“(1) IN GENERAL.—Not later than 2 years after*  
 15            *the date of enactment of the Public Housing Reform*  
 16            *and Empowerment Act of 1995, each public housing*  
 17            *agency shall assess the status of each public housing*  
 18            *project owned and operated by that public housing*  
 19            *agency, and shall submit to the Secretary an assess-*  
 20            *ment that includes—*

21            *“(A) a cost analysis that demonstrates*  
 22            *whether or not the cost (both on a net present*  
 23            *value basis and in terms of new budget authority*  
 24            *requirements) of providing tenant-based assist-*  
 25            *ance under section 8 for the same families in*

1       *substantially similar dwellings over the same pe-*  
2       *riod of time is less expensive than continuing*  
3       *public housing assistance in the public housing*  
4       *project proposed for conversion for the remaining*  
5       *useful life of the project;*

6               “(B) *an analysis of the market value of the*  
7       *public housing project proposed for conversion*  
8       *both before and after rehabilitation, and before*  
9       *and after conversion;*

10              “(C) *an analysis of the rental market condi-*  
11       *tions with respect to the likely success of tenant-*  
12       *based assistance under section 8 in that market*  
13       *for the specific residents of the public housing*  
14       *project proposed for conversion, including an as-*  
15       *essment of the availability of decent and safe*  
16       *dwellings renting at or below the payment stand-*  
17       *ard established for tenant-based assistance under*  
18       *section 8 by the public housing agency;*

19              “(D) *the impact of the conversion to a sys-*  
20       *tem of tenant-based assistance under this section*  
21       *on the neighborhood in which the public housing*  
22       *project is located; and*

23              “(E) *a plan that identifies actions, if any,*  
24       *that the public housing agency would take with*  
25       *regard to converting any public housing project*

1           or projects (or portions thereof) of the public  
 2           housing agency to a system of tenant-based as-  
 3           sistance.

4           “(2) *STREAMLINED ASSESSMENT.*—At the discre-  
 5           tion of the Secretary or at the request of a public  
 6           housing agency, the Secretary may waive any or all  
 7           of the requirements of paragraph (1) or otherwise re-  
 8           quire a streamlined assessment with respect to any  
 9           public housing project or class of public housing  
 10          projects.

11          “(3) *IMPLEMENTATION OF CONVERSION PLAN.*—

12               “(A) *IN GENERAL.*—A public housing agen-  
 13           cy may implement a conversion plan only if the  
 14           conversion assessment under this section dem-  
 15           onstrates that the conversion—

16                   “(i) will not be more expensive than  
 17                   continuing to operate the public housing  
 18                   project (or portion thereof) as public hous-  
 19                   ing; and

20                   “(ii) will principally benefit the resi-  
 21                   dents of the public housing project (or por-  
 22                   tion thereof) to be converted, the public  
 23                   housing agency, and the community.

24               “(B) *DISAPPROVAL.*—The Secretary shall  
 25           disapprove a conversion plan only if the plan is

1           *plainly inconsistent with the conversion assess-*  
 2           *ment under subsection (b) or if there is reliable*  
 3           *information and data available to the Secretary*  
 4           *that contradicts that conversion assessment.*

5           “(c) *OTHER REQUIREMENTS.*—*To the extent approved*  
 6           *by the Secretary, the funds used by the public housing agen-*  
 7           *cy to provide tenant-based assistance under section 8 shall*  
 8           *be added to the housing assistance payment contract ad-*  
 9           *ministered by—*

10           “(1) *the public housing agency; or*

11           “(2) *any entity administering the contract on*  
 12           *behalf of the public housing agency.*

13           “(d) *INAPPLICABILITY TO INDIAN HOUSING.*—*This sec-*  
 14           *tion does not apply to any Indian housing authority.”.*

15           (b) *SAVINGS PROVISION.*—*The amendment made by*  
 16           *subsection (a) does not affect any contract or other agree-*  
 17           *ment entered into under section 22 of the United States*  
 18           *Housing Act of 1937, as that section existed on the day be-*  
 19           *fore the date of enactment of this Act.*

20           **SEC. 117. REPEAL OF FAMILY SELF-SUFFICIENCY; HOME-**  
 21           **OWNERSHIP OPPORTUNITIES.**

22           (a) *IN GENERAL.*—*Section 23 of the United States*  
 23           *Housing Act of 1937 (42 U.S.C. 1437u) is amended to read*  
 24           *as follows:*

1 ***“SEC. 23. PUBLIC HOUSING HOMEOWNERSHIP OPPORTUNI-***  
 2 ***TIES.***

3 *“(a) IN GENERAL.—Notwithstanding any other provi-*  
 4 *sion of law, a public housing agency may, in accordance*  
 5 *with this section—*

6 *“(1) sell any public housing unit in any public*  
 7 *housing project of the public housing agency to—*

8 *“(A) the low-income tenants of the public*  
 9 *housing agency; or*

10 *“(B) any organization serving as a conduit*  
 11 *for sales to those persons; and*

12 *“(2) provide assistance to public housing resi-*  
 13 *dents to facilitate the ability of those residents to pur-*  
 14 *chase a principal residence.*

15 *“(b) RIGHT OF FIRST REFUSAL.—In making any sale*  
 16 *under this section, the public housing agency shall initially*  
 17 *offer the public housing unit at issue to the tenant or ten-*  
 18 *ants occupying that unit, if any, or to an organization serv-*  
 19 *ing as a conduit for sales to any such tenant.*

20 *“(c) SALE PRICES, TERMS, AND CONDITIONS.—Any*  
 21 *sale under this section may involve such prices, terms, and*  
 22 *conditions as the public housing agency may determine in*  
 23 *accordance with procedures set forth in the public housing*  
 24 *agency plan.*

25 *“(d) PURCHASE REQUIREMENTS.—*

1           “(1) *IN GENERAL.*—*Each tenant that purchases*  
 2           *a dwelling unit under subsection (a) shall, as of the*  
 3           *date on which the purchase is made—*

4                     “(A) *intend to occupy the property as a*  
 5                     *principal residence; and*

6                     “(B) *submit a written certification to the*  
 7                     *public housing agency that such tenant will oc-*  
 8                     *cupy the property as a principal residence for a*  
 9                     *period of not less than 12 months beginning on*  
 10                    *that date.*

11           “(2) *RECAPTURE.*—*Except for good cause, as de-*  
 12           *termined by a public housing agency in the public*  
 13           *housing agency plan, if, during the 1-year period be-*  
 14           *ginning on the date on which any tenant acquires a*  
 15           *public housing unit under this section, that public*  
 16           *housing unit is resold, the public housing agency shall*  
 17           *recapture 75 percent of the amount of any proceeds*  
 18           *from that resale that exceed the sum of—*

19                     “(A) *the original sale price for the acquisi-*  
 20                     *tion of the property by the qualifying tenant;*

21                     “(B) *the costs of any improvements made to*  
 22                     *the property after the date on which the acquisi-*  
 23                     *tion occurs; and*

24                     “(C) *any closing costs incurred in connec-*  
 25                     *tion with the acquisition.*

1       “(e) *PROTECTION OF NONPURCHASING TENANTS.*—If  
 2   a public housing tenant does not exercise the right of first  
 3   refusal under subsection (b) with respect to the public hous-  
 4   ing unit in which the tenant resides, the public housing  
 5   agency shall—

6               “(1) ensure that either another public housing  
 7   unit or rental assistance under section 8 is made  
 8   available to the tenant; and

9               “(2) provide for the payment of the reasonable  
 10   relocation expenses of the tenant.

11       “(f) *NET PROCEEDS.*—

12               “(1) *IN GENERAL.*—The net proceeds of any sales  
 13   under this section remaining after payment of all  
 14   costs of the sale and any unassumed, unpaid indebt-  
 15   edness owed in connection with the dwelling units  
 16   sold under this section unless waived by the Sec-  
 17   retary, shall be used for purposes relating to low-in-  
 18   come housing and in accordance with the public hous-  
 19   ing agency plan.

20               “(2) *INDIAN HOUSING.*—The net proceeds de-  
 21   scribed in paragraph (1) may be used by Indian  
 22   housing authorities for housing for families whose in-  
 23   comes exceed the income levels established under this  
 24   title for low-income families.

1       “(g) *HOMEOWNERSHIP ASSISTANCE*.—From amounts  
 2   distributed to a public housing agency under section 9, or  
 3   from other income earned by the public housing agency, the  
 4   public housing agency may provide assistance to public  
 5   housing residents to facilitate the ability of those residents  
 6   to purchase a principal residence, including a residence  
 7   other than a residence located in a public housing project.”.

8       (b) *CONFORMING AMENDMENTS*.—The United States  
 9   Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

10       (1) in section 8(y)(7)(A)—

11               (A) by striking “, (ii)” and inserting “, and  
 12       (ii)”;

13               (B) by striking “, and (iii)” and all that  
 14       follows before the period at the end; and

15       (2) in section 25(l)(2)—

16               (A) in the first sentence, by striking “, con-  
 17       sistent with the objectives of the program under  
 18       section 23,”; and

19               (B) by striking the second sentence.

20       (c) *SAVINGS PROVISION*.—The amendments made by  
 21   this section do not affect any contract or other agreement  
 22   entered into under section 23 of the United States Housing  
 23   Act of 1937, as that section existed on the day before the  
 24   date of enactment of this Act.



1 **SEC. 118. REVITALIZING SEVERELY DISTRESSED PUBLIC**  
 2 **HOUSING.**

3 *Section 24 of the United States Housing Act of 1937*  
 4 *(42 U.S.C. 1437v) is amended to read as follows:*

5 **“SEC. 24. REVITALIZING SEVERELY DISTRESSED PUBLIC**  
 6 **HOUSING.**

7 *“(a) IN GENERAL.—To the extent provided in advance*  
 8 *in appropriations Acts, the Secretary may make grants to*  
 9 *public housing agencies for the purposes of—*

10 *“(1) enabling the demolition of obsolete public*  
 11 *housing projects or portions thereof;*

12 *“(2) revitalizing sites (including remaining pub-*  
 13 *lic housing units) on which such public housing*  
 14 *projects are located;*

15 *“(3) the provision of replacement housing, which*  
 16 *will avoid or lessen concentrations of very low-income*  
 17 *families; and*

18 *“(4) the provision of tenant-based assistance*  
 19 *under section 8 for use as replacement housing.*

20 *“(b) COMPETITION.—The Secretary shall make grants*  
 21 *under this section on the basis of a competition, which shall*  
 22 *be based on such factors as—*

23 *“(1) the need for additional resources for ad-*  
 24 *dressing a severely distressed public housing project;*

25 *“(2) the need for affordable housing in the com-*  
 26 *munity;*

1           “(3) the supply of other housing available and  
 2           affordable to a family receiving tenant-based assist-  
 3           ance under section 8; and

4           “(4) the local impact of the proposed revitaliza-  
 5           tion program.

6           “(c) *TERMS AND CONDITIONS.*—*The Secretary may*  
 7           *impose such terms and conditions on recipients of grants*  
 8           *under this section as the Secretary determines to be appro-*  
 9           *priate to carry out the purposes of this section, except that*  
 10          *such terms and conditions shall be similar to the terms and*  
 11          *conditions of either—*

12           “(1) the urban revitalization demonstration pro-  
 13           gram authorized under the Departments of Veterans  
 14           Affairs and Housing and Urban Development and  
 15           Independent Agencies Appropriations Acts; or

16           “(2) section 24 of the United States Housing Act  
 17           of 1937, as such section existed before the date of en-  
 18           actment of the Public Housing Reform and Empower  
 19           Act of 1995.

20           “(d) *ALTERNATIVE MANAGEMENT.*—*The Secretary*  
 21           *may require any recipient of a grant under this section to*  
 22           *make arrangements with an entity other than the public*  
 23           *housing agency to carry out the purposes for which the*  
 24           *grant was awarded, if the Secretary determines that such*

1 *action is necessary for the timely and effective achievement*  
 2 *of the purposes for which the grant was awarded.*

3 “(e) *INAPPLICABILITY TO INDIAN HOUSING.*—*This sec-*  
 4 *tion does not apply to any Indian housing authority.*

5 “(f) *SUNSET.*—*No grant may be made under this sec-*  
 6 *tion on or after October 1, 1998.”.*

7 ***SEC. 119. MIXED-INCOME AND MIXED-OWNERSHIP***  
 8 ***PROJECTS.***

9 (a) *IN GENERAL.*—*The United States Housing Act of*  
 10 *1937 (42 U.S.C. 1437 et seq.) is amended by adding at the*  
 11 *end the following new section:*

12 ***“SEC. 28. MIXED-INCOME AND MIXED-OWNERSHIP***  
 13 ***PROJECTS.***

14 “(a) *IN GENERAL.*—*A public housing agency may*  
 15 *own, operate, assist, or otherwise participate in one or more*  
 16 *mixed-income projects in accordance with this section.*

17 “(b) *REQUIREMENTS.*—

18 “(1) *MIXED-INCOME PROJECT.*—*For purposes of*  
 19 *this section, the term ‘mixed-income project’ means a*  
 20 *project that meets the requirements of paragraph (2)*  
 21 *and that is occupied both by one or more very low-*  
 22 *income families and by one or more families that are*  
 23 *not very low-income families.*

24 “(2) *STRUCTURE OF PROJECTS.*—*Each mixed-*  
 25 *income project shall be developed—*

1           “(A) in a manner that ensures that units  
 2           are made available in the project, by master con-  
 3           tract, individual lease, or equity interest for oc-  
 4           cupancy by eligible families identified by the  
 5           public housing agency for a period of not less  
 6           than 20 years;

7           “(B) in a manner that ensures that the  
 8           number of public housing units bears approxi-  
 9           mately the same proportion to the total number  
 10          of units in the mixed-income project as the value  
 11          of the total financial commitment provided by  
 12          the public housing agency bears to the value of  
 13          the total financial commitment in the project, or  
 14          shall not be less than the number of units that  
 15          could have been developed under the conventional  
 16          public housing program with the assistance; and

17          “(C) in accordance with such other require-  
 18          ments as the Secretary may prescribe by regula-  
 19          tion.

20          “(3) TYPES OF PROJECTS.—The term ‘mixed-in-  
 21          come project’ includes a project that is developed—

22               “(A) by a public housing agency or by an  
 23               entity affiliated with a public housing agency;

24               “(B) by a partnership, a limited liability  
 25               company, or other entity in which the public

1        *housing agency (or an entity affiliated with a*  
 2        *public housing agency) is a general partner,*  
 3        *managing member, or otherwise participates in*  
 4        *the activities of that entity;*

5            *“(C) by any entity that grants to the public*  
 6        *housing agency the option to purchase the public*  
 7        *housing project during the 20-year period begin-*  
 8        *ning on the date of initial occupancy of the pub-*  
 9        *lic housing project in accordance with section*  
 10       *42(l)(7) of the Internal Revenue Code of 1986; or*

11           *“(D) in accordance with such other terms*  
 12        *and conditions as the Secretary may prescribe*  
 13        *by regulation.*

14        *“(c) TAXATION.—*

15           *“(1) IN GENERAL.—A public housing agency*  
 16        *may elect to have all public housing units in a*  
 17        *mixed-income project subject to local real estate taxes,*  
 18        *except that such units shall be eligible at the discre-*  
 19        *tion of the public housing agency for the taxing re-*  
 20        *quirements under section 6(d).*

21           *“(2) LOW-INCOME HOUSING TAX CREDIT.—With*  
 22        *respect to any unit in a mixed-income project that is*  
 23        *assisted pursuant to the low-income housing tax cred-*  
 24        *it under section 42 of the Internal Revenue Code of*  
 25        *1986, the rents charged to the tenants may be set at*

1        *levels not to exceed the amounts allowable under that*  
2        *section.*

3        “(d) *RESTRICTION.—No assistance provided under sec-*  
4        *tion 9 shall be used by a public housing agency in direct*  
5        *support of any unit rented to a family that is not a low-*  
6        *income family, except that this subsection does not apply*  
7        *to the Mutual Help Homeownership Program authorized*  
8        *under section 202 of this Act.*

9        “(e) *EFFECT OF CERTAIN CONTRACT TERMS.—If an*  
10       *entity that owns or operates a mixed-income project under*  
11       *this section enters into a contract with a public housing*  
12       *agency, the terms of which obligate the entity to operate*  
13       *and maintain a specified number of units in the project*  
14       *as public housing units in accordance with the requirements*  
15       *of this Act for the period required by law, such contractual*  
16       *terms may provide that, if, as a result of a reduction in*  
17       *appropriations under section 9, or any other change in ap-*  
18       *plicable law, the public housing agency is unable to fulfill*  
19       *its contractual obligations with respect to those public hous-*  
20       *ing units, that entity may deviate, under procedures and*  
21       *requirements developed through regulations by the Sec-*  
22       *retary, from otherwise applicable restrictions under this Act*  
23       *regarding rents, income eligibility, and other areas of pub-*  
24       *lic housing management with respect to a portion or all*  
25       *of those public housing units, to the extent necessary to pre-*

1 *serve the viability of those units while maintaining the low-*  
 2 *income character thereof to the maximum extent prac-*  
 3 *ticable.”.*

4 (b) *REGULATIONS.—The Secretary shall issue such*  
 5 *regulations as may be necessary to promote the development*  
 6 *of mixed-income projects, as that term is defined in section*  
 7 *28 of the United States Housing Act of 1937, as added by*  
 8 *this Act.*

9 ***SEC. 120. CONVERSION OF DISTRESSED PUBLIC HOUSING***  
 10 ***TO TENANT-BASED ASSISTANCE.***

11 *Title I of the United States Housing Act of 1937 (42*  
 12 *U.S.C. 1437 et seq.) is amended by adding at the end the*  
 13 *following new section:*

14 ***“SEC. 29. CONVERSION OF DISTRESSED PUBLIC HOUSING***  
 15 ***TO TENANT-BASED ASSISTANCE.***

16 *“(a) IDENTIFICATION OF UNITS.—To the extent ap-*  
 17 *proved in advance in appropriations Acts, each public*  
 18 *housing agency shall identify all public housing projects of*  
 19 *the public housing agency—*

20 *“(1) that are on the same or contiguous sites;*

21 *“(2) that the public housing agency determines*  
 22 *to be distressed, which determination shall be made in*  
 23 *accordance with guidelines established by the Sec-*  
 24 *retary, which guidelines shall be based on the criteria*  
 25 *established in the Final Report of the National Com-*

1       *mission on Severely Distressed Public Housing (Au-*  
 2       *gust 1992);*

3               “(3) *identified as distressed housing under para-*  
 4       *graph (2) for which the public housing agency cannot*  
 5       *assure the long-term viability as public housing*  
 6       *through reasonable modernization expenses, density*  
 7       *reduction, achievement of a broader range of family*  
 8       *income, or other measures; and*

9               “(4) *for which the estimated cost, during the re-*  
 10       *maining useful life of the project, of continued oper-*  
 11       *ation and modernization as public housing exceeds*  
 12       *the estimated cost, during the remaining useful life of*  
 13       *the project, of providing tenant-based assistance under*  
 14       *section 8 for all families in occupancy, based on ap-*  
 15       *propriate indicators of cost (such as the percentage of*  
 16       *total development costs required for modernization).*

17       “(b) *CONSULTATION.—Each public housing agency*  
 18       *shall consult with the appropriate public housing tenants*  
 19       *and the appropriate unit of general local government in*  
 20       *identifying any public housing projects under subsection*  
 21       *(a).*

22       “(c) *REMOVAL OF UNITS FROM THE INVENTORIES OF*  
 23       *PUBLIC HOUSING AGENCIES.—*

24               “(1) *IN GENERAL.—*



1           “(A) *DEVELOPMENT OF PLAN.*—Each public  
 2           housing agency shall develop and, to the extent  
 3           provided in advance in appropriations Acts,  
 4           carry out a 5-year plan in conjunction with the  
 5           Secretary for the removal of public housing units  
 6           identified under subsection (a) from the inven-  
 7           tory of the public housing agency and the annual  
 8           contributions contract.

9           “(B) *APPROVAL OF PLAN.*—The plan re-  
 10          quired under subparagraph (A) shall—

11               “(i) be included as part of the public  
 12               housing agency plan;

13               “(ii) be certified by the relevant local  
 14               official to be in accordance with the com-  
 15               prehensive housing affordability strategy  
 16               under title I of the Housing and Commu-  
 17               nity Development Act of 1992; and

18               “(iii) include a description of any dis-  
 19               position and demolition plan for the public  
 20               housing units.

21          “(2) *EXTENSIONS.*—The Secretary may extend  
 22          the 5-year deadline described in paragraph (1) by not  
 23          more than an additional 5 years if the Secretary  
 24          makes a determination that the deadline is imprac-  
 25          ticable.

1       “(d) *CONVERSION TO TENANT-BASED ASSISTANCE.*—

2               “(1) *IN GENERAL.*—*With respect to any public*  
 3       *housing project that has not received a grant for as-*  
 4       *istance under the urban revitalization demonstration*  
 5       *program authorized under the Departments of Veter-*  
 6       *ans Affairs and Housing and Urban Development*  
 7       *and Independent Agencies Appropriations Acts or*  
 8       *under section 24 of the United States Housing Act of*  
 9       *1937, the Secretary shall make authority available to*  
 10       *a public housing agency to provide assistance under*  
 11       *this Act to families residing in any public housing*  
 12       *project that is removed from the inventory of the pub-*  
 13       *lic housing agency and the annual contributions con-*  
 14       *tract pursuant to this section.*

15               “(2) *PLAN REQUIREMENTS.*—*Each plan under*  
 16       *subsection (c) shall require the agency to—*

17                       “(A) *notify families residing in the public*  
 18       *housing project, consistent with any guidelines*  
 19       *issued by the Secretary governing such notifica-*  
 20       *tions, that—*

21                               “(i) *the public housing project will be*  
 22       *removed from the inventory of the public*  
 23       *housing agency; and*

24                               “(ii) *the families displaced by such ac-*  
 25       *tion will receive tenant-based or project-*

1                   *based assistance or occupancy in a unit op-*  
 2                   *erated or assisted by the public housing*  
 3                   *agency;*

4                   “(B) *provide any necessary counseling for*  
 5                   *families displaced by such action; and*

6                   “(C) *provide any reasonable relocation ex-*  
 7                   *penses for families displaced by such action.*

8                   “(e) *REMOVAL BY SECRETARY.—The Secretary shall*  
 9                   *take appropriate actions to ensure removal of any public*  
 10                  *housing project identified under subsection (a) from the in-*  
 11                  *ventory of a public housing agency, if the public housing*  
 12                  *agency fails to adequately develop a plan under subsection*  
 13                  *(c) with respect to that project, or fails to adequately imple-*  
 14                  *ment such plan in accordance with the terms of the plan.*

15                  “(f) *ADMINISTRATION.—*

16                  “(1) *IN GENERAL.—The Secretary may require a*  
 17                  *public housing agency to provide to the Secretary or*  
 18                  *to public housing tenants such information as the*  
 19                  *Secretary considers to be necessary for the adminis-*  
 20                  *tration of this section.*

21                  “(2) *APPLICABILITY OF SECTION 18.—Section 18*  
 22                  *does not apply to the demolition of public housing*  
 23                  *projects removed from the inventory of the public*  
 24                  *housing agency under this section.*

1       “(g) *INAPPLICABILITY TO INDIAN HOUSING.*—*This sec-*  
 2       *tion does not apply to any Indian housing authority.*”.

3       ***SEC. 121. PUBLIC HOUSING MORTGAGES AND SECURITY IN-***  
 4       ***TERESTS.***

5       *Title I of the United States Housing Act of 1937 (42*  
 6       *U.S.C. 1437 et seq.) is amended by adding at the end the*  
 7       *following new section:*

8       ***“SEC. 30. PUBLIC HOUSING MORTGAGES AND SECURITY IN-***  
 9       ***TERESTS.***

10       “(a) *GENERAL AUTHORIZATION.*—*The Secretary may,*  
 11       *upon such terms and conditions as the Secretary may pre-*  
 12       *scribe, authorize a public housing agency to mortgage or*  
 13       *otherwise grant a security interest in any public housing*  
 14       *project or other property of the public housing agency.*

15       “(b) *TERMS AND CONDITIONS.*—

16               “(1) *CRITERIA FOR APPROVAL.*—*In making any*  
 17       *authorization under subsection (a), the Secretary may*  
 18       *consider—*

19                       “(A) *the ability of the public housing agen-*  
 20       *cy to use the proceeds of the mortgage or security*  
 21       *interest for low-income housing uses;*

22                       “(B) *the ability of the public housing agen-*  
 23       *cy to make payments on the mortgage or security*  
 24       *interest; and*

1                   “(C) such other criteria as the Secretary  
2                   may specify.

3                   “(2) *TERMS AND CONDITIONS OF MORTGAGES*  
4                   *AND SECURITY INTERESTS OBTAINED.—Each mort-*  
5                   *gage or security interest granted under this section*  
6                   *shall be—*

7                   “(A) for a term that—

8                   “(i) is consistent with the terms of pri-  
9                   vate loans in the market area in which the  
10                  public housing project or property at issue  
11                  is located; and

12                  “(ii) does not exceed 30 years; and

13                  “(B) subject to conditions that are consist-  
14                  ent with the conditions to which private loans in  
15                  the market area in which the subject project or  
16                  other property is located are subject.

17                  “(3) *NO FULL FAITH AND CREDIT.—No action*  
18                  *taken under this section shall result in any liability*  
19                  *to the Federal Government.”.*

20                  ***SEC. 122. LINKING SERVICES TO PUBLIC HOUSING RESI-***  
21                  ***DENTS.***

22                  *Title I of the United States Housing Act of 1937 (42*  
23                  *U.S.C. 1437 et seq.) is amended by adding at the end the*  
24                  *following new section:*

1 ***“SEC. 31. SERVICES FOR PUBLIC HOUSING RESIDENTS.***

2       “(a) *IN GENERAL.*—*To the extent provided in advance*  
 3 *in appropriations Acts, the Secretary may make grants to*  
 4 *public housing agencies (including Indian housing authori-*  
 5 *ties) on behalf of public housing residents, or directly to*  
 6 *resident management corporations, resident councils, or*  
 7 *resident organizations (including nonprofit entities sup-*  
 8 *ported by residents), for the purposes of providing a pro-*  
 9 *gram of supportive services and resident empowerment ac-*  
 10 *tivities to assist public housing residents in becoming eco-*  
 11 *nomically self-sufficient.*

12       “(b) *ELIGIBLE ACTIVITIES.*—*Grantees under this sec-*  
 13 *tion may use such amounts only for activities on or near*  
 14 *the public housing agency or public housing project that*  
 15 *are designed to promote the self-sufficiency of public hous-*  
 16 *ing residents, including activities relating to—*

17               “(1) *physical improvements to a public housing*  
 18 *project in order to provide space for supportive serv-*  
 19 *ices for residents;*

20               “(2) *the provision of service coordinators;*

21               “(3) *the provision of services related to work*  
 22 *readiness, including academic skills, job training, job*  
 23 *search skills, tutoring, adult literacy, transportation,*  
 24 *and child care, except that grants received under this*  
 25 *section shall not comprise more than 50 percent of the*  
 26 *costs of providing such services;*

1           “(4) resident management activities; and

2           “(5) other activities designed to improve the eco-  
3       nomic self-sufficiency of residents.

4       “(c) *FUNDING DISTRIBUTION.*—

5           “(1) *IN GENERAL.*—Except for amounts provided  
6       under subsection (d), the Secretary may distribute  
7       amounts made available under this section on the  
8       basis of a competition or a formula, as appropriate.

9           “(2) *FACTORS FOR DISTRIBUTION.*—Factors for  
10      distribution under paragraph (1) shall include—

11           “(A) the demonstrated capacity of the ap-  
12      plicant to carry out a program of supportive  
13      services or resident empowerment activities; and

14           “(B) the ability of the applicant to leverage  
15      additional resources for the provision of services.

16      “(d) *FUNDING FOR RESIDENT COUNCILS.*—Of  
17      amounts appropriated for activities under this section, not  
18      less than \$25,000,000 shall be provided directly to resident  
19      councils, resident organizations, and resident management  
20      corporations.”.

21   **SEC. 123. APPLICABILITY TO INDIAN HOUSING.**

22      In accordance with section 201(b)(2) of the United  
23      States Housing Act of 1937, except as otherwise provided  
24      in this Act, this title and the amendments made by this  
25      title shall apply to public housing developed or operated

1 *pursuant to a contract between the Secretary and an In-*  
 2 *dian housing authority, as that term is defined in section*  
 3 *3(b) of the United States Housing Act of 1937.*

4       ***TITLE II—SECTION 8 RENTAL***  
 5               ***ASSISTANCE***

6       ***SEC. 201. MERGER OF THE CERTIFICATE AND VOUCHER***  
 7               ***PROGRAMS.***

8       *Section 8(o) of the United States Housing Act of 1937*  
 9 *(42 U.S.C. 1437f(o)) is amended to read as follows:*

10       “(o) *VOUCHER PROGRAM.*—

11               “(1) *PAYMENT STANDARD.*—

12                       “(A) *IN GENERAL.*—*The Secretary may*  
 13 *provide assistance to public housing agencies for*  
 14 *tenant-based assistance using a payment stand-*  
 15 *ard established in accordance with subparagraph*  
 16 *(B). The payment standard shall be used to de-*  
 17 *termine the monthly assistance that may be paid*  
 18 *for any family, as provided in paragraph (2).*

19                       “(B) *ESTABLISHMENT OF PAYMENT STAND-*  
 20 *ARD.*—*The payment standard shall not exceed*  
 21 *120 percent of the fair market rental established*  
 22 *under subsection (c) and shall be not less than*  
 23 *90 percent of that fair market rental.*

24                       “(C) *SET-ASIDE.*—*The Secretary may set*  
 25 *aside not more than 5 percent of the budget au-*



1        *thority available under this subsection as an ad-*  
 2        *justment pool. The Secretary shall use amounts*  
 3        *in the adjustment pool to make adjusted pay-*  
 4        *ments to public housing agencies under subpara-*  
 5        *graph (A), to ensure continued affordability, if*  
 6        *the Secretary determines that additional assist-*  
 7        *ance for such purpose is necessary, based on doc-*  
 8        *umentation submitted by a public housing agen-*  
 9        *cy.*

10        “(D) *APPROVAL.*—*The Secretary may re-*  
 11        *quire a public housing agency to submit the pay-*  
 12        *ment standard of the public housing agency to*  
 13        *the Secretary for approval.*

14        “(E) *REVIEW.*—*The Secretary—*

15                “(i) *shall monitor rent burdens and re-*  
 16                *view any payment standard that results in*  
 17                *a significant percentage of the families oc-*  
 18                *cupying units of any size paying more than*  
 19                *30 percent of adjusted income for rent; and*

20                “(ii) *may require a public housing*  
 21                *agency to modify the payment standard of*  
 22                *the public housing agency based on the re-*  
 23                *sults of that review.*

24        “(2) *AMOUNT OF MONTHLY ASSISTANCE PAY-*  
 25        *MENT.*—

1           “(A) *FAMILIES RECEIVING TENANT-BASED*  
2           *ASSISTANCE; RENT DOES NOT EXCEED PAYMENT*  
3           *STANDARD.—For a family receiving tenant-based*  
4           *assistance under this title, if the rent for that*  
5           *family (including the amount allowed for ten-*  
6           *ant-paid utilities) does not exceed the payment*  
7           *standard established under paragraph (1), the*  
8           *monthly assistance payment to that family shall*  
9           *be equal to the amount by which the rent exceeds*  
10           *the greatest of the following amounts, rounded to*  
11           *the nearest dollar:*

12                   “(i) *Thirty percent of the monthly ad-*  
13                   *justed income of the family.*

14                   “(ii) *Ten percent of the monthly in-*  
15                   *come of the family.*

16                   “(iii) *If the family is receiving pay-*  
17                   *ments for welfare assistance from a public*  
18                   *agency and a part of those payments, ad-*  
19                   *justed in accordance with the actual hous-*  
20                   *ing costs of the family, is specifically des-*  
21                   *ignated by that agency to meet the housing*  
22                   *costs of the family, the portion of those pay-*  
23                   *ments that is so designated.*

24           “(B) *FAMILIES RECEIVING TENANT-BASED*  
25           *ASSISTANCE; RENT EXCEEDS PAYMENT STAND-*

1        *ARD.—For a family receiving tenant-based as-*  
 2        *sistance under this title, if the rent for that fam-*  
 3        *ily (including the amount allowed for tenant-*  
 4        *paid utilities) exceeds the payment standard es-*  
 5        *tablished under paragraph (1), the monthly as-*  
 6        *sistance payment to that family shall be equal to*  
 7        *the amount by which the applicable payment*  
 8        *standard exceeds the greatest of the following*  
 9        *amounts, rounded to the nearest dollar:*

10                *“(i) Thirty percent of the monthly ad-*  
 11                *justed income of the family.*

12                *“(ii) Ten percent of the monthly in-*  
 13                *come of the family.*

14                *“(iii) If the family is receiving pay-*  
 15                *ments for welfare assistance from a public*  
 16                *agency and a part of those payments, ad-*  
 17                *justed in accordance with the actual hous-*  
 18                *ing costs of the family, is specifically des-*  
 19                *ignated by that agency to meet the housing*  
 20                *costs of the family, the portion of those pay-*  
 21                *ments that is so designated.*

22                *“(C) FAMILIES RECEIVING PROJECT-BASED*  
 23        *ASSISTANCE.—For a family receiving project-*  
 24        *based assistance under this title, the rent that the*  
 25        *family is required to pay shall be determined in*

1           *accordance with section 3(a)(1), and the amount*  
2           *of the housing assistance payment shall be deter-*  
3           *mined in accordance with subsection (c)(3) of*  
4           *this section.*

5           “(3) *FORTY PERCENT LIMIT.*—*At the time a*  
6           *family initially receives tenant-based assistance under*  
7           *this title with respect to any dwelling unit, the total*  
8           *amount that a family may be required to pay for rent*  
9           *may not exceed 40 percent of the monthly adjusted in-*  
10          *come of the family.*

11          “(4) *ELIGIBLE FAMILIES.*—*At the time a family*  
12          *initially receives assistance under this subsection, a*  
13          *family shall qualify as—*

14               “(A) *a very low-income family;*

15               “(B) *a family previously assisted under this*  
16               *title;*

17               “(C) *a low-income family that meets eligi-*  
18               *bility criteria specified by the public housing*  
19               *agency;*

20               “(D) *a family that qualifies to receive a*  
21               *voucher in connection with a homeownership*  
22               *program approved under title IV of the Cran-*  
23               *ston-Gonzalez National Affordable Housing Act;*  
24               *or*

1           “(E) a family that qualifies to receive a  
2           voucher under section 223 or 226 of the Low-In-  
3           come Housing Preservation and Resident Home-  
4           ownership Act of 1990.

5           “(5) ANNUAL REVIEW OF FAMILY INCOME.—Each  
6           public housing agency shall, not less frequently than  
7           annually, conduct a review of the family income of  
8           each family receiving assistance under this subsection.

9           “(6) SELECTION OF FAMILIES.—

10           “(A) IN GENERAL.—Each public housing  
11           agency may establish local preferences consistent  
12           with the public housing agency plan submitted  
13           by the public housing agency under section 5A.

14           “(B) EVICTION FOR DRUG-RELATED ACTIV-  
15           ITY.—Any individual or family evicted from  
16           housing assisted under this subsection by reason  
17           of drug-related criminal activity (as defined in  
18           subsection (f)(5)) shall not be eligible for housing  
19           assistance under this title during the 3-year pe-  
20           riod beginning on the date of such eviction, un-  
21           less the evicted tenant successfully completes a re-  
22           habilitation program approved by the public  
23           housing agency (which shall include a waiver for  
24           any member of the family of an individual pro-  
25           hibited from receiving assistance under this title

1        *whom the public housing agency determines*  
 2        *clearly did not participate in and had no knowl-*  
 3        *edge of that criminal activity, or if the cir-*  
 4        *cumstances leading to the eviction no longer*  
 5        *exist).*

6                *“(C) SELECTION OF TENANTS.—The selec-*  
 7        *tion of tenants shall be made by the owner of the*  
 8        *dwelling unit, subject to the annual contribu-*  
 9        *tions contract between the Secretary and the*  
 10       *public housing agency.*

11               *“(7) LEASE.—Each housing assistance payment*  
 12       *contract entered into by the public housing agency*  
 13       *and the owner of a dwelling unit—*

14               *“(A) shall provide that the screening and se-*  
 15       *lection of families for those units shall be the*  
 16       *function of the owner;*

17               *“(B) shall provide that the lease between the*  
 18       *tenant and the owner shall be for a term of not*  
 19       *less than 1 year, except that the public housing*  
 20       *agency may approve a shorter term for an ini-*  
 21       *tial lease between the tenant and the dwelling*  
 22       *unit owner if the public housing agency deter-*  
 23       *mines that such shorter term would improve*  
 24       *housing opportunities for the tenant;*

1           “(C) except as otherwise provided by the  
 2           public housing agency, may provide for a termi-  
 3           nation of the tenancy of a tenant assisted under  
 4           this subsection after 1 year;

5           “(D) shall provide that the dwelling unit  
 6           owner shall offer leases to tenants assisted under  
 7           this subsection that—

8                   “(i) are in a standard form used in the  
 9                   locality by the dwelling unit owner; and

10                   “(ii) contain terms and conditions  
 11                   that—

12                           “(I) are consistent with State,  
 13                           tribal, and local law; and

14                           “(II) apply generally to tenants  
 15                           in the property who are not assisted  
 16                           under this section;

17           “(E) shall provide that the dwelling unit  
 18           owner may not terminate the tenancy of any  
 19           person assisted under this subsection during the  
 20           term of a lease that meets the requirements of  
 21           this section unless the owner determines, on the  
 22           same basis and in the same manner as would  
 23           apply to a tenant in the property who does not  
 24           receive assistance under this subsection, that—

1                   “(i) the tenant has committed a serious  
2                   violation of the terms and conditions of the  
3                   lease;

4                   “(ii) the tenant has violated applicable  
5                   Federal, State, or local law; or

6                   “(iii) other good cause for termination  
7                   of the tenancy exists; and

8                   “(F) shall provide that any termination of  
9                   tenancy under this subsection shall be preceded  
10                  by the provision of written notice by the owner  
11                  to the tenant specifying the grounds for that ac-  
12                  tion, and any relief shall be consistent with ap-  
13                  plicable State, tribal, and local law.

14                  “(8) INSPECTION OF UNITS BY PUBLIC HOUSING  
15                  AGENCIES.—

16                  “(A) IN GENERAL.—Except as provided in  
17                  subparagraph (B), for each dwelling unit for  
18                  which a housing assistance payment contract is  
19                  established under this subsection, the public  
20                  housing agency shall—

21                         “(i) inspect the unit before any assist-  
22                         ance payment is made to determine whether  
23                         the dwelling unit meets housing quality  
24                         standards for decent and safe housing estab-  
25                         lished—



1                   “(I) by the Secretary for purposes  
2                   of this subsection; or

3                   “(II) by local housing codes or by  
4                   codes adopted by public housing agen-  
5                   cies that—

6                   “(aa) meet or exceed housing  
7                   quality standards; and

8                   “(bb) do not severely restrict  
9                   housing choice; and

10                  “(ii) make periodic inspections during  
11                  the contract term.

12                  “(B) LEASING OF UNITS OWNED BY PUBLIC  
13                  HOUSING AGENCY.—If an eligible family assisted  
14                  under this subsection leases a dwelling unit that  
15                  is owned by a public housing agency administer-  
16                  ing assistance under this subsection, the Sec-  
17                  retary shall require the unit of general local gov-  
18                  ernment, or another entity approved by the Sec-  
19                  retary, to make inspections and rent determina-  
20                  tions as required by this paragraph.

21                  “(9) EXPEDITED INSPECTION PROCEDURES.—

22                  “(A) DEMONSTRATION PROJECT.—Not later  
23                  than 1 year after the date of enactment of the  
24                  Public Housing Reform and Empowerment Act  
25                  of 1995, the Secretary shall establish a dem-

1        *onstration project to identify efficient procedures*  
 2        *to determine whether units meet housing quality*  
 3        *standards for decent and safe housing established*  
 4        *by the Secretary.*

5            “(B) *PROCEDURES INCLUDED.*—*The dem-*  
 6        *onstration project shall include the development*  
 7        *of procedures to be followed in any case in which*  
 8        *a family receiving tenant-based assistance under*  
 9        *this subsection is moving into a dwelling unit, or*  
 10       *in which a family notifies the public housing*  
 11       *agency that a dwelling unit, in which the family*  
 12       *no longer resides, fails to meet housing quality*  
 13       *standards. The Secretary shall also establish pro-*  
 14       *cedures for the expedited repair and inspection of*  
 15       *units that do not meet housing quality stand-*  
 16       *ards.*

17           “(C) *RECOMMENDATIONS.*—*Not later than 2*  
 18        *years after the date on which the demonstration*  
 19        *under this paragraph is implemented, the Sec-*  
 20        *retary shall submit a report to the Congress,*  
 21        *which shall include an analysis of the dem-*  
 22        *onstration and any recommendations for changes*  
 23        *to the demonstration.*

24           “(10) *VACATED UNITS.*—*If a family vacates a*  
 25        *dwelling unit, no assistance payment may be made*

1       *under this subsection for the dwelling unit after the*  
2       *month during which the unit was vacated.*

3           “(11) *RENT.*—

4               “(A) *REASONABLE MARKET RENT.*—*The*  
5       *rent for dwelling units for which a housing as-*  
6       *sistance payment contract is established under*  
7       *this subsection shall be reasonable in comparison*  
8       *with rents charged for comparable dwelling units*  
9       *in the private, unassisted, local market.*

10              “(B) *NEGOTIATED RENT.*—*A public housing*  
11       *agency shall, at the request of a family receiving*  
12       *tenant-based assistance under this subsection, as-*  
13       *sist that family in negotiating a reasonable rent*  
14       *with a dwelling unit owner. A public housing*  
15       *agency shall review the rent for a unit under*  
16       *consideration by the family (and all rent in-*  
17       *creases for units under lease by the family) to*  
18       *determine whether the rent (or rent increase) re-*  
19       *quested by the owner is reasonable. If a public*  
20       *housing agency determines that the rent (or rent*  
21       *increase) for a dwelling unit is not reasonable,*  
22       *the public housing agency shall not make hous-*  
23       *ing assistance payments to the owner under this*  
24       *subsection with respect to that unit.*

1           “(C) *UNITS EXEMPT FROM LOCAL RENT*  
2           *CONTROL.*—If a dwelling unit for which a hous-  
3           ing assistance payment contract is established  
4           under this subsection is exempt from local rent  
5           control provisions during the term of that con-  
6           tract, the rent for that unit shall be reasonable  
7           in comparison with other units in the market  
8           area that are exempt from local rent control pro-  
9           visions.

10           “(D) *TIMELY PAYMENTS.*—Each public  
11           housing agency shall make timely payment of  
12           any amounts due to a dwelling unit owner  
13           under this subsection. The housing assistance  
14           payment contract between the owner and the  
15           public housing agency may provide for penalties  
16           for the late payment of amounts due under the  
17           contract, which shall be imposed on the public  
18           housing agency in accordance with generally ac-  
19           cepted practices in the local housing market.

20           “(E) *PENALTIES.*—Unless otherwise author-  
21           ized by the Secretary, each public housing agen-  
22           cy shall pay any penalties from administrative  
23           fees collected by the public housing agency, except  
24           that no penalty shall be imposed if the late pay-  
25           ment is due to factors that the Secretary deter-

1        *mines are beyond the control of the public hous-*  
2        *ing agency.*

3        *“(12) MANUFACTURED HOUSING.—*

4                *“(A) IN GENERAL.—A public housing agen-*  
5        *cy may make assistance payments in accordance*  
6        *with this subsection on behalf of a family that*  
7        *utilizes a manufactured home as a principal*  
8        *place of residence. Such payments may be made*  
9        *for the rental of the real property on which the*  
10       *manufactured home owned by any such family is*  
11       *located.*

12       *“(B) RENT CALCULATION.—*

13                *“(i) CHARGES INCLUDED.—For assist-*  
14        *ance pursuant to this paragraph, the rent*  
15        *for the space on which a manufactured*  
16        *home is located and with respect to which*  
17        *assistance payments are to be made shall*  
18        *include maintenance and management*  
19        *charges and tenant-paid utilities.*

20                *“(ii) PAYMENT STANDARD.—The public*  
21        *housing agency shall establish a payment*  
22        *standard for the purpose of determining the*  
23        *monthly assistance that may be paid for*  
24        *any family under this paragraph. The pay-*

1            *ment standard may not exceed an amount*  
 2            *approved or established by the Secretary.*

3            *“(iii) MONTHLY ASSISTANCE PAY-*  
 4            *MENT.—The monthly assistance payment*  
 5            *under this paragraph shall be determined in*  
 6            *accordance with paragraph (2).*

7            *“(13) CONTRACT FOR ASSISTANCE PAYMENTS.—*

8            *“(A) IN GENERAL.—If the Secretary enters*  
 9            *into an annual contributions contract under this*  
 10           *subsection with a public housing agency pursu-*  
 11           *ant to which the public housing agency will*  
 12           *enter into a housing assistance payment contract*  
 13           *with respect to an existing structure under this*  
 14           *subsection—*

15           *“(i) the housing assistance payment*  
 16           *contract may not be attached to the struc-*  
 17           *ture unless the owner agrees to rehabilitate*  
 18           *or newly construct the structure other than*  
 19           *with assistance under this Act, and other-*  
 20           *wise complies with this section; and*

21           *“(ii) the public housing agency may*  
 22           *approve a housing assistance payment con-*  
 23           *tract for such existing structure for not*  
 24           *more than 15 percent of the funding avail-*  
 25           *able for tenant-based assistance adminis-*

1           tered by the public housing agency under  
2           this section.

3           “(B) *EXTENSION OF CONTRACT TERM.*—In  
4           the case of a housing assistance payment con-  
5           tract that applies to a structure under this para-  
6           graph, a public housing agency shall enter into  
7           a contract with the owner, contingent upon the  
8           future availability of appropriated funds for the  
9           purpose of renewing expiring contracts for assist-  
10          ance payments, as provided in appropriations  
11          Acts, to extend the term of the underlying hous-  
12          ing assistance payment contract for such period  
13          as the Secretary determines to be appropriate to  
14          achieve long-term affordability of the housing.  
15          The contract shall obligate the owner to have  
16          such extensions of the underlying housing assist-  
17          ance payment contract accepted by the owner  
18          and the successors in interest of the owner.

19          “(C) *RENT CALCULATION.*—For project-  
20          based assistance under this paragraph, housing  
21          assistance payment contracts shall establish rents  
22          and provide for rent adjustments in accordance  
23          with subsection (c).

24          “(D) *ADJUSTED RENTS.*—With respect to  
25          rents adjusted under this paragraph—

1                   “(i) the adjusted rent for any unit  
 2                   shall not exceed the rent for a comparable  
 3                   unassisted unit of similar quality, type,  
 4                   and age in the market area; and

5                   “(ii) the provisions of subsection  
 6                   (c)(2)(A) do not apply.

7                   “(14) *INAPPLICABILITY TO TENANT-BASED AS-*  
 8                   *SISTANCE.*—Subsection (c) does not apply to tenant-  
 9                   based assistance under this subsection.

10                  “(15) *HOMEOWNERSHIP OPTION.*—

11                   “(A) *IN GENERAL.*—A public housing agen-  
 12                   cy providing assistance under this subsection  
 13                   may, at the option of the agency, provide assist-  
 14                   ance for homeownership under subsection (y).

15                   “(B) *ALTERNATIVE ADMINISTRATION.*—A  
 16                   public housing agency may contract with a non-  
 17                   profit organization to administer a homeowner-  
 18                   ship program under subsection (y).

19                   “(16) *INDIAN HOUSING PROGRAMS.*—Notwith-  
 20                   standing any other provision of law, in carrying out  
 21                   this section, the Secretary shall establish such sepa-  
 22                   rate formulas and programs as may be necessary to  
 23                   carry out housing programs for Indians under this  
 24                   section.”.



1 **SEC. 202. REPEAL OF FEDERAL PREFERENCES.**

2 (a) *SECTION 8 EXISTING AND MODERATE REHABILI-*  
 3 *TATION.*—*Section 8(d)(1)(A) of the United States Housing*  
 4 *Act of 1937 (42 U.S.C. 1437f(d)(1)(A)) is amended to read*  
 5 *as follows:*

6 “(A) *the selection of tenants shall be the*  
 7 *function of the owner, subject to the annual con-*  
 8 *tributions contract between the Secretary and the*  
 9 *agency, except that with respect to the certificate*  
 10 *and moderate rehabilitation programs only, for*  
 11 *the purpose of selecting families to be assisted,*  
 12 *the public housing agency may establish, after*  
 13 *public notice and an opportunity for public com-*  
 14 *ment, a written system of preferences for selec-*  
 15 *tion that are not inconsistent with the com-*  
 16 *prehensive housing affordability strategy for the*  
 17 *jurisdiction in which the project is located, in*  
 18 *accordance with title I of the Cranston-Gonzalez*  
 19 *National Affordable Housing Act;”.*

20 (b) *SECTION 8 NEW CONSTRUCTION AND SUBSTANTIAL*  
 21 *REHABILITATION.*—

22 (1) *REPEAL.*—*Section 545(c) of the Cranston-*  
 23 *Gonzalez National Affordable Housing Act (42 U.S.C.*  
 24 *1437f note) is amended to read as follows:*

25 “(c) *[Reserved.]”.*

1           (2) *PROHIBITION.*—*The provisions of section*  
 2           *8(e)(2) of the United States Housing Act of 1937, as*  
 3           *in existence on the day before October 1, 1983, that*  
 4           *require tenant selection preferences shall not apply*  
 5           *with respect to—*

6                     *(A) housing constructed or substantially re-*  
 7                     *habilitated pursuant to assistance provided*  
 8                     *under section 8(b)(2) of the United States Hous-*  
 9                     *ing Act of 1937, as in existence on the day before*  
 10                    *October 1, 1983; or*

11                    *(B) projects financed under section 202 of*  
 12                    *the Housing Act of 1959, as in existence on the*  
 13                    *day before the date of enactment of the Cranston-*  
 14                    *Gonzalez National Affordable Housing Act.*

15           (c) *RENT SUPPLEMENTS.*—*Section 101(k) of the Hous-*  
 16           *ing and Urban Development Act of 1965 (12 U.S.C.*  
 17           *1701s(k)) is amended to read as follows:*

18                    “(k) [Reserved.]”.

19           (d) *CONFORMING AMENDMENTS.*—

20                    (1) *UNITED STATES HOUSING ACT OF 1937.*—*The*  
 21                    *United States Housing Act of 1937 (42 U.S.C. 1437*  
 22                    *et seq.) is amended—*

23                            *(A) in section 6(o), by striking “preference*  
 24                            *rules specified in” and inserting “written selec-*  
 25                            *tion criteria established pursuant to”;*

1           (B) in section 7(a)(2), by striking “accord-  
 2           ing to the preferences for occupancy under” and  
 3           inserting “in accordance with the written selec-  
 4           tion criteria established pursuant to”;

5           (C) in section 7(a)(3), by striking “who  
 6           qualify for preferences for occupancy under” and  
 7           inserting “who meet the written selection criteria  
 8           established pursuant to”;

9           (D) in section 8(d)(2)(A), by striking the  
 10          last sentence;

11          (E) in section 8(d)(2)(H), by striking “Not-  
 12          withstanding subsection (d)(1)(A)(i), an” and  
 13          inserting “An”; and

14          (F) in section 16(c), in the second sentence,  
 15          by striking “the system of preferences established  
 16          by the agency pursuant to section 6(c)(4)(A)(ii)”  
 17          and inserting “the written selection criteria es-  
 18          tablished by the public housing agency pursuant  
 19          to section 6(c)(4)(A)”.

20          (2) CRANSTON-GONZALEZ NATIONAL AFFORD-  
 21          ABLE HOUSING ACT.—*The Cranston-Gonzalez Na-*  
 22          *tional Affordable Housing Act (42 U.S.C. 12704 et*  
 23          *seq.) is amended—*

24               (A) in section 455(a)(2)(D)(iii), by striking  
 25               “would qualify for a preference under” and in-

serting “meet the written selection criteria established pursuant to”; and

(B) in section 522(f)(6)(B), by striking “any preferences for such assistance under section 8(d)(1)(A)(i)” and inserting “the written selection criteria established pursuant to section 8(d)(1)(A)”.

(3) *LOW-INCOME HOUSING PRESERVATION AND RESIDENT HOMEOWNERSHIP ACT OF 1990.*—The second sentence of section 226(b)(6)(B) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4116(b)(6)(B)) is amended by striking “requirement for giving preferences to certain categories of eligible families under” and inserting “written selection criteria established pursuant to”.

(4) *HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992.*—Section 655 of the Housing and Community Development Act of 1992 (42 U.S.C. 13615) is amended by striking “preferences for occupancy” and all that follows before the period at the end and inserting “selection criteria established by the owner to elderly families according to such written selection criteria, and to near-elderly families according to such written selection criteria, respectively”.

1           (5) *REFERENCES IN OTHER LAW.*—Any reference  
 2           in any Federal law other than any provision of any  
 3           law amended by paragraphs (1) through (5) of this  
 4           subsection or section 201 to the preferences for assist-  
 5           ance under section 6(c)(4)(A)(i), 8(d)(1)(A)(i), or  
 6           8(o)(3)(B) of the United States Housing Act of 1937,  
 7           as those sections existed on the day before the effective  
 8           date of this title, shall be considered to refer to the  
 9           written selection criteria established pursuant to sec-  
 10          tion 6(c)(4)(A), 8(d)(1)(A), or 8(o)(6)(A), respectively,  
 11          of the United States Housing Act of 1937, as amended  
 12          by this subsection and section 201 of this Act.

13 ***SEC. 203. PORTABILITY.***

14          Section 8(r) of the United States Housing Act of 1937  
 15          (42 U.S.C. 1437f(r)) is amended—

16               (1) in paragraph (1)—

17                       (A) by striking “assisted under subsection  
 18                       (b) or (o)” and inserting “receiving tenant-based  
 19                       assistance under subsection (o)”; and

20                       (B) by striking “the same State” and all  
 21                       that follows before the semicolon and inserting  
 22                       “any area in which a program is being adminis-  
 23                       tered under this section”;

24               (2) in paragraph (3)—

25                       (A) by striking “(b) or”; and

1           (B) by adding at the end the following new  
 2 sentence: “The Secretary shall establish proce-  
 3 dures for the compensation of public housing  
 4 agencies that issue vouchers to families that  
 5 move into or out of the jurisdiction of the public  
 6 housing agency under portability procedures.  
 7 The Secretary may reserve amounts available for  
 8 assistance under subsection (o) to compensate  
 9 those public housing agencies.”; and

10          (3) by adding at the end the following new para-  
 11 graph:

12           “(5) LEASE VIOLATIONS.—A family may not re-  
 13 ceive a voucher from a public housing agency and  
 14 move to another jurisdiction under the tenant-based  
 15 assistance program if the family has moved out of the  
 16 assisted dwelling unit of the family in violation of a  
 17 lease.”.

18 **SEC. 204. LEASING TO VOUCHER HOLDERS.**

19          Section 8(t) of the United States Housing Act of 1937  
 20 (42 U.S.C. 1437f(t)) is amended to read as follows:

21          “(t) [Reserved.]”.

22 **SEC. 205. HOMEOWNERSHIP OPTION.**

23          Section 8(y) of the United States Housing Act of 1937  
 24 (42 U.S.C. 1437f(y)) is amended—

1           (1) in paragraph (1)(A), by inserting before the  
2           semicolon “, or owns or is acquiring shares in a coop-  
3           erative”;

4           (2) in paragraph (1)(B), by striking “(i) par-  
5           ticipates” and all that follows through “(ii) dem-  
6           onstrates” and inserting “demonstrates”;

7           (3) by striking paragraph (2) and inserting the  
8           following:

9           “(2) *DETERMINATION OF AMOUNT OF ASSIST-*  
10          *ANCE.—*

11                 “(A) *MONTHLY EXPENSES DO NOT EXCEED*  
12          *PAYMENT STANDARD.—If the monthly home-*  
13          *ownership expenses, as determined in accordance*  
14          *with requirements established by the Secretary,*  
15          *do not exceed the payment standard, the monthly*  
16          *assistance payment shall be the amount by which*  
17          *the homeownership expenses exceed the highest of*  
18          *the following amounts, rounded to the nearest*  
19          *dollar:*

20                         “(i) *Thirty percent of the monthly ad-*  
21                         *justed income of the family.*

22                         “(ii) *Ten percent of the monthly in-*  
23                         *come of the family.*

24                         “(iii) *If the family is receiving pay-*  
25                         *ments for welfare assistance from a public*

1           agency, and a portion of those payments,  
2           adjusted in accordance with the actual  
3           housing costs of the family, is specifically  
4           designated by that agency to meet the hous-  
5           ing costs of the family, the portion of those  
6           payments that is so designated.

7           “(B) *MONTHLY EXPENSES EXCEED PAY-*  
8           *MENT STANDARD.*—If the monthly homeowner-  
9           ship expenses, as determined in accordance with  
10          requirements established by the Secretary, exceed  
11          the payment standard, the monthly assistance  
12          payment shall be the amount by which the appli-  
13          cable payment standard exceeds the highest of the  
14          following amounts, rounded to the nearest dollar:

15               “(i) *Thirty percent of the monthly ad-*  
16               *justed income of the family.*

17               “(ii) *Ten percent of the monthly in-*  
18               *come of the family.*

19               “(iii) *If the family is receiving pay-*  
20               *ments for welfare assistance from a public*  
21               *agency and a part of those payments, ad-*  
22               *justed in accordance with the actual hous-*  
23               *ing costs of the family, is specifically des-*  
24               *ignated by that agency to meet the housing*



1                   *costs of the family, the portion of those pay-*  
 2                   *ments that is so designated.”;*

3                   *(4) by striking paragraphs (3) through (5); and*  
 4                   *(5) by redesignating paragraphs (6) through (8)*  
 5                   *as paragraphs (3) through (5), respectively.*

6   **SEC. 206. TECHNICAL AND CONFORMING AMENDMENTS.**

7           *(a) CONTRACT PROVISIONS AND REQUIREMENTS.—*  
 8           *Section 6(p)(1)(B) of the United States Housing Act of*  
 9           *1937 (42 U.S.C. 1437d(p)(1)(B)) is amended by striking*  
 10           *“holding certificates and vouchers” and inserting “receiving*  
 11           *tenant-based assistance”.*

12           *(b) LOWER INCOME HOUSING ASSISTANCE.—Section*  
 13           *8 of the United States Housing Act of 1937 (42 U.S.C.*  
 14           *1437f) is amended—*

15                   *(1) in subsection (a), by striking the second and*  
 16                   *third sentences;*

17                   *(2) in subsection (b)—*

18                           *(A) in the subsection heading, by striking*  
 19                   *“RENTAL CERTIFICATES AND”; and*

20                           *(B) in the first undesignated paragraph—*

21                                   *(i) by striking “The Secretary” and*  
 22                                   *inserting the following:*

23                                   *“(1) IN GENERAL.—The Secretary”; and*

24                                   *(ii) by striking the second sentence;*

25                   *(3) in subsection (c)—*

1                   (A) in paragraph (3)—

2                   (i) by striking “(A)”; and

3                   (ii) by striking subparagraph (B);

4                   (B) in the first sentence of paragraph (4),  
5                   by striking “or by a family that qualifies to re-  
6                   ceive” and all that follows through “1990”;

7                   (C) by striking paragraph (5) and redesign-  
8                   ating paragraph (6) as paragraph (5);

9                   (D) by striking paragraph (7) and redesign-  
10                  ating paragraphs (8) through (10) as para-  
11                  graphs (6) through (8), respectively;

12                  (E) in paragraph (6), as redesignated, by  
13                  inserting “(other than a contract under section  
14                  8(o))” after “section”;

15                  (F) in paragraph (7), as redesignated, by  
16                  striking “(but not less than 90 days in the case  
17                  of housing certificates or vouchers under sub-  
18                  section (b) or (o))” and inserting “, other than  
19                  a contract under subsection (o)”; and

20                  (G) in paragraph (8), as redesignated, by  
21                  striking “housing certificates or vouchers under  
22                  subsection (b) or (o)” and inserting “tenant-  
23                  based assistance under this section”;

24                  (4) in subsection (d)—

1           (A) in paragraph (1)(B)(iii), by striking  
2           “on or near such premises”; and

3           (B) in paragraph (2)—

4               (i) in subparagraph (A), by striking  
5               the third sentence and all that follows  
6               through the end of the subparagraph; and

7               (ii) by striking subparagraphs (B)  
8               through (E) and redesignating subpara-  
9               graphs (F) through (H) as subparagraphs  
10              (B) through (D), respectively;

11           “(B) [Reserved.]”;

12           (5) in subsection (f)—

13               (A) in paragraph (6), by striking “(d)(2)”  
14               and inserting “(o)(11)”; and

15           (B) in paragraph (7)—

16               (i) by striking “(b) or”; and

17               (ii) by inserting before the period the  
18               following: “and that provides for the eligible  
19               family to select suitable housing and to  
20               move to other suitable housing”;

21           (6) by striking subsection (j) and inserting the  
22           following:

23           “(j) [Reserved.]”;

24           (7) by striking subsection (n) and inserting the  
25           following:

1 “(n) [Reserved.]”;

2 (8) in subsection (q)—

3 (A) in the first sentence of paragraph (1),  
4 by striking “and housing voucher programs  
5 under subsections (b) and (o)” and inserting  
6 “program under this section”;

7 (B) in paragraph (2)(A)(i), by striking  
8 “and housing voucher programs under sub-  
9 sections (b) and (o)” and inserting “program  
10 under this section”; and

11 (C) in paragraph (2)(B), by striking “and  
12 housing voucher programs under subsections (b)  
13 and (o)” and inserting “program under this sec-  
14 tion”;

15 (9) in subsection (u), by striking “certificates or”  
16 each place that term appears; and

17 (10) in subsection (x)(2), by striking “housing  
18 certificate assistance” and inserting “tenant-based as-  
19 sistance”.

20 (c) *PUBLIC HOUSING HOMEOWNERSHIP AND MANAGE-*  
21 *MENT OPPORTUNITIES.*—Section 21(b)(3) of the United  
22 States Housing Act of 1937 (42 U.S.C. 1437s(b)(3)) is  
23 amended—

24 (1) in the first sentence, by striking “(at the op-  
25 tion of the family) a certificate under section 8(b)(1)

1       or a housing voucher under section 8(o)” and insert-  
 2       ing “tenant-based assistance under section 8”; and  
 3       (2) by striking the second sentence.

4       (d) *DOCUMENTATION OF EXCESSIVE RENT BUR-*  
 5 *DENS.*—Section 550(b) of the Cranston-Gonzalez National  
 6 *Affordable Housing Act* (42 U.S.C. 1437f note) is amend-  
 7 *ed*—

8           (1) in paragraph (1), by striking “assisted under  
 9       the certificate and voucher programs established” and  
 10       inserting “receiving tenant-based assistance”;

11          (2) in the first sentence of paragraph (2)—

12           (A) by striking “, for each of the certificate  
 13       program and the voucher program” and insert-  
 14       ing “for the tenant-based assistance under sec-  
 15       tion 8”; and

16           (B) by striking “participating in the pro-  
 17       gram” and inserting “receiving tenant-based as-  
 18       sistance”; and

19          (3) in paragraph (3), by striking “assistance  
 20       under the certificate or voucher program” and insert-  
 21       ing “tenant-based assistance under section 8 of the  
 22       United States Housing Act of 1937”.

23       (e) *GRANTS FOR COMMUNITY RESIDENCES AND SERV-*  
 24 *ICES.*—Section 861(b)(1)(D) of the Cranston-Gonzalez Na-  
 25 *tional Affordable Housing Act* (42 U.S.C. 12910(b)(1)(D))

1 *is amended by striking “certificates or vouchers” and in-*  
 2 *serting “assistance”.*

3       (f) *SECTION 8 CERTIFICATES AND VOUCHERS.—Sec-*  
 4 *tion 931 of the Cranston-Gonzalez National Affordable*  
 5 *Housing Act (42 U.S.C. 1437c note) is amended by striking*  
 6 *“assistance under the certificate and voucher programs*  
 7 *under sections 8(b) and (o) of such Act” and inserting “ten-*  
 8 *ant-based assistance under section 8 of the United States*  
 9 *Housing Act of 1937”.*

10       (g) *ASSISTANCE FOR DISPLACED TENANTS.—Section*  
 11 *223(a) of the Housing and Community Development Act*  
 12 *of 1987 (12 U.S.C. 4113(a)) is amended by striking “assist-*  
 13 *ance under the certificate and voucher programs under sec-*  
 14 *tions 8(b) and 8(o)” and inserting “tenant-based assistance*  
 15 *under section 8”.*

16       (h) *RURAL HOUSING PRESERVATION GRANTS.—Sec-*  
 17 *tion 533(a) of the Housing Act of 1949 (42 U.S.C.*  
 18 *1490m(a)) is amended in the second sentence by striking*  
 19 *“assistance payments as provided by section 8(o)” and in-*  
 20 *serting “tenant-based assistance as provided under section*  
 21 *8”.*

22       (i) *REPEAL OF MOVING TO OPPORTUNITIES FOR FAIR*  
 23 *HOUSING DEMONSTRATION.—Section 152 of the Housing*  
 24 *and Community Development Act of 1992 (42 U.S.C. 1437f*  
 25 *note) is repealed.*

1       (j) *PREFERENCES FOR ELDERLY FAMILIES AND PER-*  
 2 *SONS.—Section 655 of the Housing and Community Devel-*  
 3 *opment Act of 1992 (42 U.S.C. 13615) is amended by strik-*  
 4 *ing “the first sentence of section 8(o)(3)(B)” and inserting*  
 5 *“section 8(o)(6)(A)”.*

6       (k) *ASSISTANCE FOR TROUBLED MULTIFAMILY HOUS-*  
 7 *ING PROJECTS.—Section 201(m)(2)(A) of the Housing and*  
 8 *Community Development Amendments of 1978 (12 U.S.C.*  
 9 *1715z–1a(m)(2)(A)) is amended by striking “section*  
 10 *8(b)(1)” and inserting “section 8”.*

11       (l) *MANAGEMENT AND DISPOSITION OF MULTIFAMILY*  
 12 *HOUSING PROJECTS.—Section 203(g)(2) of the Housing*  
 13 *and Community Development Amendments of 1978 (12*  
 14 *U.S.C. 1701z–11(g)(2)), as amended by section 101(b) of*  
 15 *the Multifamily Housing Property Disposition Reform Act*  
 16 *of 1994, is amended by striking “8(o)(3)(B)” and inserting*  
 17 *“8(o)(6)(A)”.*

18   **SEC. 207. IMPLEMENTATION.**

19       *In accordance with the negotiated rulemaking proce-*  
 20 *dures set forth in subchapter III of chapter 5 of title 5,*  
 21 *United States Code, the Secretary shall issue such regula-*  
 22 *tions as may be necessary to implement the amendments*  
 23 *made by this title after notice and opportunity for public*  
 24 *comment.*

1 **SEC. 208. EFFECTIVE DATE.**

2 (a) *IN GENERAL.*—*The amendments made by this title*  
3 *shall become effective not later than 1 year after the date*  
4 *of enactment of this Act.*

5 (b) *CONVERSION ASSISTANCE.*—

6 (1) *IN GENERAL.*—*The Secretary may provide*  
7 *for the conversion of assistance under the certificate*  
8 *and voucher programs under subsections (b) and (o)*  
9 *of section 8 of the United States Housing Act of 1937,*  
10 *as those sections existed on the day before the effective*  
11 *date of the amendments made by this title, to the*  
12 *voucher program established by the amendments made*  
13 *by this title.*

14 (2) *CONTINUED APPLICABILITY.*—*The Secretary*  
15 *may apply the provisions of the United States Hous-*  
16 *ing Act of 1937, or any other provision of law amend-*  
17 *ed by this title, as those provisions existed on the day*  
18 *before the effective date of the amendments made by*  
19 *this title, to assistance obligated by the Secretary be-*  
20 *fore that effective date for the certificate or voucher*  
21 *program under section 8 of the United States Hous-*  
22 *ing Act of 1937, if the Secretary determines that such*  
23 *action is necessary for simplification of program ad-*  
24 *ministration, avoidance of hardship, or other good*  
25 *cause.*



***TITLE III—MISCELLANEOUS  
PROVISIONS***

***SEC. 301. PUBLIC HOUSING FLEXIBILITY IN THE CHAS.***

*Section 105(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705(b)) is amended—*

*(1) by redesignating the second paragraph designated as paragraph (17) (as added by section 681(2) of the Housing and Community Development Act of 1992) as paragraph (20);*

*(2) by redesignating paragraph (17) (as added by section 220(b)(3) of the Housing and Community Development Act of 1992) as paragraph (19);*

*(3) by redesignating the second paragraph designated as paragraph (16) (as added by section 220(c)(1) of the Housing and Community Development Act of 1992) as paragraph (18);*

*(4) in paragraph (16)—*

*(A) by striking the period at the end and inserting a semicolon; and*

*(B) by striking “(16)” and inserting “(17)”;*

*(5) by redesignating paragraphs (11) through (15) as paragraphs (12) through (16), respectively; and*

1           (6) by inserting after paragraph (10) the follow-  
2           ing new paragraph:

3           “(11) describe the manner in which the plan of  
4           the jurisdiction will help address the needs of public  
5           housing and coordinate with the local public housing  
6           agency plan under section 5A of the United States  
7           Housing Act of 1937;”.

8   **SEC. 302. REPEAL OF CERTAIN PROVISIONS.**

9           (a) *MAXIMUM ANNUAL LIMITATION ON RENT IN-*  
10          *CREASES RESULTING FROM EMPLOYMENT.*—

11           (1) *REPEAL.*—Section 957 of the Cranston-Gon-  
12          zalez National Affordable Housing Act (42 U.S.C.  
13          12714) is repealed.

14           (2) *EFFECTIVE DATE.*—The amendment made by  
15          paragraph (1) shall be deemed to have the same effec-  
16          tive date as section 957 of the Cranston-Gonzalez Na-  
17          tional Affordable Housing Act.

18          (b) *ECONOMIC INDEPENDENCE.*—

19           (1) *REPEAL.*—Section 923 of the Housing and  
20          Community Development Act of 1992 (42 U.S.C.  
21          12714 note) is repealed.

22           (2) *EFFECTIVE DATE.*—The amendment made by  
23          paragraph (1) shall be deemed to have the same effec-  
24          tive date as section 923 of the Housing and Commu-  
25          nity Development Act of 1992.

1 **SEC. 303. DETERMINATION OF INCOME LIMITS.**

2 (a) *IN GENERAL.*—Section 3(b)(2) of the United States  
3 *Housing Act of 1937 (42 U.S.C. 1437a(b)(2))* is amended—

4 (1) *in the fourth sentence—*

5 (A) *by striking “County,” and inserting*  
6 *“and Rockland Counties”; and*

7 (B) *by inserting “each” before “such coun-*  
8 *ty”; and*

9 (2) *in the fifth sentence, by striking “County”*  
10 *each place that term appears and inserting “and*  
11 *Rockland Counties”.*

12 (b) *REGULATIONS.*—Not later than 90 days after the  
13 *date of enactment of this Act, the Secretary shall issue regu-*  
14 *lations implementing the amendments made by subsection*  
15 *(a).*

16 **SEC. 304. DEMOLITION OF PUBLIC HOUSING.**

17 (a) *REPEAL.*—Section 415 of the Department of Hous-  
18 *ing and Urban Development—Independent Agencies Ap-*  
19 *propriations Act, 1988 (Public Law 100–202; 101 Stat.*  
20 *1329–213) is repealed.*

21 (b) *FUNDING AVAILABILITY.*—Notwithstanding any  
22 *other provision of law, beginning on the date of enactment*  
23 *of this Act, the public housing projects described in section*  
24 *415 of the Department of Housing and Urban Develop-*  
25 *ment—Independent Agencies Appropriations Act, 1988, as*

1 *that section existed on the day before the date of enactment*  
 2 *of this Act, shall be eligible for demolition under—*

3 *(1) section 14 of the United States Housing Act*  
 4 *of 1937, as that section existed on the day before the*  
 5 *date of enactment of this Act; and*

6 *(2) section 9 of the United States Housing Act*  
 7 *of 1937, as amended by this Act.*

S 1260 RS—2

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